NARCOTICS TRAFFICKING THROUGH JOHN F. KENNEDY AIRPORT

HEARING

BEFORE THE

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL HOUSE OF REPRESENTATIVES

ONE HUNDREDTH CONGRESS

FIRST SESSION

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(100th Congress)

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NARCOTICS TRAFFICKING THROUGH JOHN F. KENNEDY AIRPORT

FRIDAY, JULY 10, 1987

House of Representatives,
Select Committee on Narcotics Abuse and Control,
Jamaica, NY.

The Select Committee met pursuant to call at 10 a.m., in the press room, JFK International Airport, Jamaica, New York Representative Charles B. Rangel (chairman of the select committee), presiding.

Present: Representatives Charles B. Rangel, James A. Traficant, Edolphus "Ed" Towns, Frank J. Guarini, Benjamin A. Gilman, F. James Sensenbrenner, Jr., Floyd H. Flake, and Bill Green.

Staff present: Elliott A. Brown, minority staff director; Khalil Munir, investigator; Rebecca Hedlund, professional staff; and Bob Weiner, press officer.

Mr. Rangel. I would like to thank you for your patience as we begin this Congressional Hearing at John F. Kennedy International Airport.

As you know, I am the Chairman of the Select Committee on Narcotics Abuse and Control, and my Co-Chairman in this initiative is Benjamin Gilman, from New York, who is the ranking Republican on the Committee.

We also have as part of the Committee's membership, Jim Sensenbrenner from Wisconsin; Ed Towns, from Brooklyn; Jim Traficant, from Ohio. We expect to have Floyd Flake with us. We also expect Congressman Guarini, from New Jersey, and Bill Green from New York is sitting in with us as he always does, and supporting the work of the Committee.

Why we are here is the explosion of heroin production around the world, as well as the explosion of the amounts that are coming into the United States. Historically, those of us that have been involved in law enforcement have been able to identify organized crime, criminal groups, within the United States and internationally. Now we find a great insurgence of developing nations, people from around the world filling this void, if not in production, then certainly as couriers. From Nigeria, from China, from Pakistan, and a variety of other nations, you will see today that we now find people for the love of money, violating our borders bringing this poison into the United States. It is our intention to see the depth of cooperation that we have with Customs in the Port Authority, the FBI and the Drug Enforcement Administration, the various prosecutors' offices, but more important, what we have to point out is the great threat to our national security that drug addiction and drug smuggling has.

As most of you know, 75 percent of all the children that are born, the infants born of AIDS, at least one of their parents have been involved in heroin abuse. Fifty percent of all of the heroin that is coming into the United States is being seized in the New York City area. So we have to come to grips with this very serious problem. The Congress has recently passed a bill that we hope will give additional tools to law enforcement, and I would want to share this conference with the other members, but more importantly with Benjamin Gilman, the ranking Republican from New York.

Ben.

Mr. GILMAN. Thank you, Mr. Chairman, and I want to welcome our witnesses and panelists who have expressed a willingness to come before us today to help us to get a better understanding of what is happening here in the Port area of New York. This morning's hearing, of course, is an attempt to gauge the scope of narcotics trafficking problems in the International Airport region, one of our nation's largest and busiest points of entry. We truly don't know just how much narcotics is coming through this area. It has been estimated anywhere from $200 to $300 million of narcotics trafficking comes through the Port Authority, and that is based on projections and seizures, but there is no accurate survey that has ever been conducted. Just as we don't know truly what the full extent of narcotics trafficking is in our entire nation, the amount of narcotics trafficking has been estimated to be some $130 billion, and that's a conservative estimate.

It has become apparent that in recent years various ethnic groups have been able to penetrate the once closely held market, long controlled by organized crime groups moving heroin and other dangerous drugs into our nation. This has now become a multi-continental activity, posing for our federal law enforcement personnel the task of having to overcome a veritable Tower of Babel where language and cultures distinguish a native from an undercover operator. This and other problems we hope we will be able to examine this morning, and because Kennedy Airport does involve multi-jurisdictional efforts, I would also appreciate if our Committee could be apprised of the depth of the coordinated activity and intelligence sharing between the various agencies that will be coming before us today, something we are very much concerned about. Their candid assessment of the current situation and how they are adjusting their strategies to cope with this new kind of trafficking will also assist our select committee in recommending the kind of legislative changes and reforms that may be needed to beef up our effort.

As you know, the Congress last year, in adopting the Anti Drug Abuse Act of 1986, provided substantial resources to try to make our war against narcotics more effective in fighting it on five battle fields: In trying to hit narcotics at its source by providing more funding to the drug producing nations in their eradication efforts; to try to beef up our interdiction efforts to cut out the supply once it gets into the stream of distribution; and then once it hits our own nation, the shores of our own nation, to enhance our enforcement efforts by providing resources to local enforcement agencies;

and then on the demand side, to provide the kind of funding that has been sorely needed to try to reduce the demand by better education for our young people, to deter them from becoming involved in the first instance; and then to provide resources to treat the poor victims of narcotics abuse.

This is a base that we hope to build on. This is not the answer and we recognize it is not the wherewithal, but we hope with that base that we can reach out and provide the kind of programs that are so sorely needed.

Just recently Chairman Rangel and I returned from Vienna, an international conference sponsored by the United Nations on drug trafficking and drug abuse, and we came away with some optimism, because for the first time we sensed a better international spirit, a willingness to cooperate. Even with the Iron Curtain countries we found that many of the Soviet Bloc nations were willing to join with us in a coordinated effort to try to wipe out this scourge on all of our societies.

We hope that the witnesses today will shed some light for us about their policies with regard to airport security, airport and airline personnel, and efforts to guard against terrorism. We are interested too in learning who is screened in coming into the airport and who is not, and whether it be for personnel, diplomatic security, or other reasons. If efforts are targeted, has an assessment been made on whether or not narcotics traffickers are routing their insidious products through other cities. Along with this is the need to discuss present intelligence gathering capabilities, and whether new resources are going to be needed as a result of the testimony given today.

We recognize that Kennedy is a major gateway for the rest of our nation, and by examining efforts here, we are focusing on front-line interdiction, with all of its ramifications and we look forward to a frank discussion this morning and hope that together we can devise a comprehensive strategy that will result in increased deterrence, apprehension, prosecution and seizures.

Thank you, Mr. Chairman.

Mr. RANGEL. The Chair recognizes the presence of Congressman Floyd Flake and would recognize any member at this time that seeks to make an opening statement.

Mr. TRAFICANT. Mr. Chairman, I would like to make an opening statement.

Mr. RANGEL. Mr. Traficant.

Mr. TRAFICANT. As a former sheriff, newly appointed to the Select Committee on Narcotics, I am glad and very honored to join forces with Chairman Rangel and this Committee. I have been reading some of the submitted testimony and I see, number one, the great efforts of cooperation between all the respective law enforcement agencies. When I see that I get a little bit suspicious. One of the things I would like to know today, if that really exists, if there is that type of cooperation, if many times we have too much competition between and among these groups, rather than one solid force.

Second of all, I come from a little bit different perspective on this bulk trafficking and have a capital punishment bill currently before the House. I don't mean to get into that, but I will be asking those of you how you would feel about anybody importing more than ten kilograms of a substance such as heroin or cocaine being subject to the death penalty, and in the commission of a drug transaction, the killing of a law enforcement officer.

So I will be glad to be asking you that and if you could, I would just hope we would touch upon that cooperation and see if it really does exist, as some of the testimony indicates.

Mr. RANGEL. The Chair recognizes Mr. Green.

Mr. GREEN. Thank you, Mr. Chairman.

I have long felt that the interdiction effort has to be a high priority in terms of enforcement of our drug control laws. Certainly, one of the few times that we materially or perceptively reduced the amount of drugs on the streets in New York was in the 1970's when we were successful in getting the Turkish government, with liberal amounts of American money, to induce its farmers to stop growing opium poppies. Unfortunately, since that time,the growth of the opium poppies has moved off to places like Iran and Afghanistan, where we are really not able to do that. And, incidentally, if you are looking at cocaine, it seems obvious that most of the raw material there is grown in parts of South America where the writs of the government are not readily executed so that the growth, at least, has seemed to move beyond our control.

It seems to me if that is the case the next most vulnerable point in the distribution system is that long chain which moves the heroin, in this case, from Iran and Afghanistan, to places like Kennedy Airport. To that end it has seemed to me very important that we beef up our overseas intelligence, and particularly the overseas intelligence capacity of the Drug Enforcement Administration. That is something on which I have pressed the Administration, as well as the members of the Permanent Select Committee on Intelligence of the House. I am glad to say that over the last several years there has been a 37 percent increase in the number of slots allocated to the overseas intelligence activities of the Drug Enforcement Administration.

I hope that the role of intelligence in making seizures here will be discussed today. I am particularly interested in whether cooperation of other intelligence agencies overseas is being obtained. In discussions I have had with the staff of the Permanent Select Committee on Intelligence, I have come away with the impression that that is one area where the intelligence community has not been altogether together in fighting this problem, and that this is a problem which, while the DEA people overseas are working very hard on, other members of the overseas intelligence community have not always been too cooperative. I would welcome comments on that so that we can pursue that issue in the future.

Thank you very much, Chairman Rangel.

Mr. RANGEL. Is there any other member seeking recognition?

Mr. FLAKE. Yes, Mr. Chairman.

Mr. RANGEL. Representative Flake.

Mr. FLAKE. Mr. Chairman, first of all, let me welcome you to the district that I serve, the Sixth Congressional District. It is unfortunate that it is in this district that we have the dubious distinction of having the primary port of entry for drugs entering this country through Kennedy Airport; thus, I commend you for having chosen this place to have this particular hearing.

I think that we all have to admit that this is a war and it is time for us to get serious about the drug problem and treat it like we would any other war. Just as we are concerned about the dumping of products from abroad into our nation, in relationship to our trade, we must be equally concerned about the dumping of drugs into our nation. The dumping of drugs into our community cripples our young people and prevents them from growing and developing. This in turn prevents the possibility of our communities being strengthened. Many of our young people are being destroyed. Many of them are in a position today where they will not be able to survive because of the stranglehold that drugs have on them.

I would like to see funds allocated to produce effective drug prevention and treatment programs in our schools, beginning at the earliest possible age. I want to see tough and mandatory maximum prison sentences for drug dealers, especially for those dealers who conduct their businesses near schools and playgrounds, and hire kids to do their dirty work. I would like to see us, as federal officials, allocate more money to strengthen the ability to stop drugs at the border. I think that today gives us an opportunity to be able not only to speak on the issue, but to begin the process of trying to work toward that end.

As you know, I have supported legislation sponsored by the Chairman by co-sponsoring bills during my six months in Congress, and will continue to do so because I believe that although we allocated large sums of money in the anti drug funding level, much more needs to be done. We have not treated this as a war. I urge that today we begin a process of saying that we are at war, tackle this matter head on and begin to try to move in a direction that will allow us to be able to win the war.

Thank you.

Mr. Rangel. Thank you Congressman Flake, and thank you for all of the support you have given us in pulling this hearing together in your district.

On behalf of the Congress and this Committee we welcome this next panel of prosecutors from the Southern District, the Eastern District, and Sterling Johnson from all of the districts, as he is the Special Assistant District Attorney in charge of the Office of Prosecution for the City of New York.

First we will hear from Andrew Maloney, a professional prosecutor who has made a career out of law enforcement and who now brings distinction to the Eastern District as the U.S. Attorney.

We thank you for taking time from your schedule to share your views with this Committee.

Mr. Maloney.

TESTIMONY OF ANDREW J. MALONEY, U.S. ATTORNEY FOR THE EASTERN DISTRICT OF NEW YORK

Mr. Maloney. Mr. Chairman, Members of the Committee, welcome to the Eastern District of New York, and I think it is quite appropriate that these hearings are being conducted right here, at this major port of entry for narcotics smuggling.

To put it in some context, there are some 27 million passengers a year who come through this airport, nine million of which are international passengers. This airport accounts for some 53 to 57 percent of all air cargo coming into the Continental United States. That includes L.A., New Orleans, Florida, Miami, and so forth. So the problems out here are diverse and complex.

The focus here today was to be on smuggling by other ethnic groups, and I do have a few statistics for you on this issue. Since the beginning of this fiscal year, October 1, 1986, at the airport, here in Kennedy Airport, there have been 222 pounds of heroin seized at the port of entry, right here. There is a combination of inspection services and a combination of intelligence supplied to our agents at the airport. That breaks down into approximately 70 arrests and it breaks down in this category, and this is just for the last ten months: 32 were Nigerians; 11 were Americans; five were Canadians; two were Afghanians; one was Vietnamese; three were Danians; four were Lebanese; three were Indians; four Chinese; one Iranian; one Palestinian; and three Ghanians. The significance though is that the weight, most of the weight of that 222 pounds, came from the Chinese and Indian subjects. The Nigerian smugglers, although there were many more of them, were basically in the 100 to 200 gram amounts. And most of those, since the beginning of this year, have been carried internally, not just on the outside, but internally. So Nigeria is important to us, the weight is still coming from Asian, Indian, Pakistanian groups.

We recently arrested—to show how this problem keeps spreading—just a few weeks ago we recently arrested an off-duty Nigerian airline captain and seized seven-and-a-half pounds of heroin from him as he entered the airport. And just last week we arrested, unfortunately, a TWA senior captain who was trying to smuggle in six kilograms from the Far East.

Now what has happened on the good side in the last year or so is the creation of—which I am sure you will hear more about later in the day and really addresses Mr. Mr. Traficant's question here—is a thing called JNSU, which is a joint smuggling narcotics unit created at the airport here, and it is totally unique, in my experience. To my knowledge, it is the only unit of its kind in the country. It is a total integration of customs agents and DEA agents, supervisors and agents themselves, into a unit here which has been working for the last year at the airport. Many of our successes, some of which are set forth in my prepared statement, come from that unit.

Now, the other part of the airport problem here is what is going out, money laundering. Since October 1, 1986, just ten months, we have been averaging the seizure of one million dollars in cash a month, a month. We only have four customs agents doing that work because most of it is caught by inspection services and dogs. I am sure this Committee has heard cries of gives us more, more, more manpower. I think this is an area, if you give us eight agents, we will double that money. This is the one area where you will make money if you give us more help in the inspection service. We are getting a million dollars in cash a month and nobody is asking for it back. Now how much of that is heroin and how much of that is cocaine, I don't know if anybody has those kind of figures.

As an example of the lack of resources in this area, we have on occasion borrowed a security van from Secret Service, which is equipped with various types of equipment, it permits the inspection of baggage. The one time they used it they seized a million dollars in cash. That is an $80,000 van. If you use that $80,000 van as many times as I think you could if you had one here regularly, and which is on order right now by Customs, and I think we could use more than just one, I submit to you we will make money just on a cost production basis.

The bad news is—and I don't have the solution for this, I wish somebody did—is the air cargo problem. We have no idea of how much narcotics, cocaine or heroin is getting through this Port, nobody does. And the problem, of course, is similar in Port Newark, which is a shipping problem. I don't know the solution to that. Obviously it is easy for me to say let's have more inspectors, let's have more dogs, and I do ask for that. But I don't know how many dogs and inspectors you would really need to make a significant crack on this problem because of the size.

That would conclude my short remarks at this point in time and I will be happy to have any questions or entertain any questions you might have.

Mr. RANGEL. If there is no objection from the Committee, we will reserve our questions until the entire panel has testified, and your entire prepared statements will be entered in full in the record.

[Mr. Maloney's prepared statement appears on p. 56.]

Mr. RANGEL. The Chair would now like to recognize Sterling Johnson who also has dedicated his life to law enforcement, and more specifically, in this area, and has been of tremendous assistance to the Select Narcotic Committee, as well as to Congress in the preparation of legislation that has been passed into law.

The Chair recognizes Sterling Johnson.

TESTIMONY OF STERLING JOHNSON, SPECIAL ASSISTANT DISTRICT ATTORNEY, OFFICE OF PROSECUTION, NEW YORK

Mr. JOHNSON. Mr. Chairman, Members of the Committee, and Mr. Flake, who happens to be my Congressman, and I happen to live in this district, and I have a particular interest in this particular problem at this particular airport. There is a problem, as we all know. One of the things that have been occurring over the recent months and years has been increased cooperation, which I think is a positive and a plus as far as law enforcement is concerned, among the various competing law enforcement agencies.

I have been in this particular position as a special narcotics prosecutor for New York City for 12 years, but I have been doing this business for approximately 30 years, and I have been on the front lines of many battles, competing battles with law enforcement agencies. What has happened, I think, and I suspect that the only groups that benefit by competition of law enforcement is the bad guys, but I must say that I am just so tremendously impressed and proud that we are all working together. We are all singing together and those of us who are not singing are humming together. We have the FBI, we have the Drug Enforcement Administration, the various U.S. Attorneys' offices. That is not to say that we don't have our disagreements, but we disagree without being disagreeable.

The other thing, as I have placed in my remarks that are available, we do find various ethnic groups involved in smuggling of heroin into this country through the airport. We have defendants in people who come from Russia, who come from China, who come from Albania, just numerous amounts of people. I had a friend, a man that I had met when I was over in Pakistan, in Peshawar, and he told me—and I am trying to trace this—that he observed—Peshawar is right next to Afghanistan—that he observed, and there is supposed to be some T.V. footage on this, that the Russians were supervising the growing of opium poppies in Afghanistan. So the problem is a world-wide problem.

I was pleased to hear Congressman Gilman say that this conference over in Vienna was a success and that everyone is concerned about the problem and are going to do whatever they can to see what we can do to stop the flow of drugs into every country. The problem is a serious problem.

One of the things that I would like to see happen, as Congressman Flake said, to have a serious commitment as far as drugs are concerned by the administration. And I say this not being critical or not being partisan, the fact that we have rarely had a serious commitment by any administration in at least 20 years, Democrat and Republican, about drugs. I have rarely heard the Secretary of State say anything about drugs. I have rarely heard, if at all, the Secretary of Defense say anything about drugs, and then every now and then you hear the President who will say something nice about drugs and it comes time to put his money where his mouth is, he really does nothing.

I will be available to answer any questions anyone might have for me.

[Mr. Johnson's prepared statement appears on p. 77.]

Mr. RANGEL. Thank you, Mr. Johnson.

Our next panelist is Bruce Baird who has served in the Southern District of New York at one time or the other, and Mr. Baird will be representing the U.S. Attorney for the Southern District, and he is the Chief of the Narcotics Trial Unit, I understand.

TESTIMONY OF BRUCE A. BAIRD, CHIEF, NARCOTICS UNIT, U.S. DISTRICT ATTORNEY'S OFFICE, SOUTHERN DISTRICT OF NEW YORK

Mr. BAIRD. Thank you, Mr. Chairman, and Members of the Committee.

I think the appropriate way to think about the narcotics problem, the heroin problem, as it relates to emerging groups, is to think about it the way we thought or think now about the Mafia during prohibition. That is the problem we've got. Congressman Flake used the term "war," and I think that is accurate. We let that problem go for 30 years and we have got the problem that we have today with the Mafia. If we let these emerging groups go for 30 years, we will have the same problem and for the same reason.

Today they are less sophisticated than the Mafia. They have infiltrated legitimate society to a lesser extent. Their techniques are simpler, but they are getting rich and they are getting rich because drugs make them rich, and if we let them go they are going to make billions and they are soon going to infiltrate society the way the Mafia has.

Today what happens is that their sentences are lighter because the quantities of drugs they import are sometimes smaller. They get lower bail. We had a recent case involving Ghanaians in which 40 people were arrested and all of them got low bail and about 25 percent of them fled. It is more difficult to take them seriously, for Judges and for legislators and for law enforcement, although I commend this Committee for taking them seriously enough to warrant this hearing today.

New York, of course, has got this problem to its greatest extent because all the ethnic groups live here. Half the heroin seized in this country comes through New York. We consume it and we import it. We have Thais and Chinese; we have Pakistanis and Indians; we have Israelis and Lebanese; and we have Nigerians and Ghanaians, and all of these groups import heroin.

In part, they are successful at it because they live in countries close to the supplies. That makes it easy for them. It makes sophistication unnecessary. We had a case involving Thais in which the Thai courier flew to Bangkok, got in a taxi and said, "Find me somewhere where I can buy 10 kilos of heroin," and that was easy to do. It is the sort of thing that causes these groups to start. They can get it easily.

These emerging groups are also less hierarchical. They don't have the "bosses" and the "capos" of the Mafia. They have large groups of people who belong, sometimes not just to the same country, but to the same ethnic group within a country. For example, in the Ghanaian case I talked about, it is not enough to have an agent who is a Ghanaian infiltrate this group, you need to have someone of the Ashanti tribe, because all of the members of this group were from that tribe and spoke a dialect that this tribe spoke but that other Ghanaians don't speak.

That leads to another of the problems in dealing with emerging groups: penetration is difficult. That is the most difficult problem because they trust only members of their own ethnic group. We don't have enough agents, certainly, of all of these ethnic groups. And, second, they're hard to understand. They speak different languages. We don't have enough translators for all of these languages. We need more of those. Finally, the very non-hierarchical nature, the fact that there is not one boss, who when you get him you can break up the group, makes it more difficult to deal with these groups. You can arrest 40 people, as we did in the Ghanaian case, and the conspiracy goes on because we have arrested 40 but there are 200 more out there at about the same level of sophistication. They have access to the heroin, they bring it in repeatedly.

For solutions, of course none of us have solutions or we would be geniuses, but certainly on one level, more money to buy heroin. When you are talking about importation, and that is the purpose of this Committee today, you don't import heroin and sell it by the ounce. If you are an importer, you sell it by the kilo or you sell it by the unit, as the Chinese do, which is almost a kilo. You need to have money to spend to make these cases. We need to have

$100,000 to spend to buy heroin. Once you have spent that $100,000 you will have the trust of the importer and you will be able to arrest him and his group. So more money for buys.

More agents are needed of the different ethnic groups, that's critical. We don't have enough. I don't know what outreach procedures can be undertaken, but if you don't have agents from the ethnic group that you are trying to infiltrate, you won't infiltrate them.

More translators are needed so that we can understand. Sometimes you have a wiretap up and they don't use very sophisticated codes, but if you don't have a translator who can speak the language, it doesn't do you any good. They can be saying, "Come and pick up the heroin," but if they are speaking in "Twee" which is the dialect of the Ashanti tribe in Ghana, and you don't have someone who speaks that language, you are not able to interdict that heroin.

Finally, international cooperation, and I really urge this on this Committee. We have agreements—I think Italy, perhaps, is the model. We have reduced the Italian influence in heroin importation and part of the reason is that we have tremendously good informal, executive agreements with the Italian government on a level that prosecutors can talk to other prosecutors. And we can exchange information without the distrust that Congressman Traficant mentioned and that often characterizes law enforcement agencies. That is key. We don't have those kinds of informal law enforcement to law enforcement agreements with many of these producer countries, with countries like Pakistan and India and other countries that we need to have these relationships with in order to find out what is coming in, and when we learn who is bringing it in, to arrest them and prosecute them no matter where they are.

I am glad to answer any questions.

Mr. RANGEL. Let me thank this panel of witnesses that are experts in this area. Thank you for your brevity which will give us an opportunity as a Committee to ask you more questions.

Congress has certainly appropriated more money for this so-called battle. I think it is safe to say we have more people in jail now than ever before. You are prosecuting more cases than ever before. There's more seizures now. Certainly, I am glad to hear that there is cooperation between law enforcement, certainly. This hearing has proved that the New York City Police Department is working with the DEA, the FBI, Customs, the Coast Guard, the Port Authority, Immigration, but still, if we are all on the same team, we are convinced that more is being produced now than ever before, around the world. That regardless of how many people you put in jail, more will be coming into the United States than ever before. And I am concerned, as professionals, whether or not you have heard of any strategy, national or international. The success of the Vienna convention Congressman Gilman spoke of. The success was nations admitting that they had a problem and their willingness, at this late date, to set aside their sovereign pride and to come together, including the Soviet Union, to see what can be done. So we are a long way away from an international solution.

If indeed what we are saying is that the percentage of drugs that's being seized is infinitesimal compared to the amount that we know is coming into the United States, either through cargo or individuals, or diplomats or be they what they are, I am asking the three of you, as professionals, can you direct this member to any national education program that you may be aware of as federal and local law enforcement officers, that deals with the serious question of demand reduction, that is consumption? Because if there is something like this going on in the nation's capitol, this Committee wants to be right on top of it.

So, could you help me, as prosecutors, and I assume you all agree, that demand reduction is the most serious element of this problem we face. Does anyone disagree with that?

Mr. MALONEY. No, sir.

Mr. JOHNSON. No, sir.

Mr. BAIRD. No, sir.

Mr. RANGEL. That being so, on the federal level, could any of you identify—I assume that you go to Washington periodically; you talk with your superiors, that you are involved in White House conferences; is that so?

Mr. JOHNSON. Well, I haven't been invited to the White House.

Mr. RANGEL. Well, that's two of us. But still, since you are really on the front line, are any of you familiar with any program other than the First Lady's "Just Say No" program that we have on the federal level?

Mr. JOHNSON. Yes, there is one that I recall. The President volunteered to give some urine samples. That's the only one that I know of.

Mr. MALONEY. I think that is an understatement. I have no documentation in front of me but there is a strong program by every U.S. Attorney and its office to be out there in the hinterland, lecturing about the demand problem, and they are trying to educate the public about the abuse of narcotics and drugs, and my staff does engage in such activities, as well as I know DEA people in this district.

Mr. RANGEL. What is your backlog of cases, Mr. Maloney?

Mr. MALONEY. Oh, I couldn't give you a number right now, but one of our serious problems in this particular district is since we do have so many couriers who are arrested at the airport who are aliens, they are immediately remanded. And of course under the Speedy Trial Act we have to indict them in ten days and try them within 70 days, and that puts a great strain on our resources in this district, as well as——

Mr. RANGEL. Is there backlog in the Southern District?

Mr. BAIRD. Well, Mr. Chairman, what happens is that fewer cases get taken. We don't have to take every case, and to deal with your backlog, smaller cases sometimes don't get prosecuted. You take the biggest cases. And it is certainly true that with double the agents and double the prosecutors we would try double the narcotics cases.

Mr. RANGEL. My point is this: If you have limited resources, you have a backlog in cases, that you are very selective in the ones that you can prosecute because of priority, it just seems to me, Mr. Maloney, that the federal function of education should not be with the Justice Department, but should fall within the Department of Education, even though I have to admit I appreciate what efforts are being made, not only by the federal prosecutors, but even the New

York City Police Department who are partners in education. But you have to forgive my late years where I thought police were supposed to arrest and prosecutors were supposed to put them in jail. But if you also represent the federal education effort, then God bless.

My last question is on the question that was raised by a member of this panel, that is the international control. I think all of us at one time or the other have used the word "war." This is the law enforcement panel, and you are saying that no matter how good you get, that you are just grabbing at a balloon. Well, we have to deal with consumption.

Could you share with me whether or not in the course of your law enforcement you have been able to identify an international strategy, perhaps headed by the Secretary of State, that should bring about a reduction in the production of heroin and cocaine.

Mr. MALONEY. Well, the one that comes immediately to my attention, since I am almost as old as you are, sir, is that during the Nixon period, with convincing our Turkey allies to stop growing the opium poppy, and that was a NATO ally, an important ally, and that was, I think, one of President Nixon's finest achievements. I think that kind of pressure is, of course, needed on the international level.

Mr. RANGEL. Well, I can see the cooperation between you and Mr. Johnson because what both of you are saying is that the last time either one of you two remembered a national part on the part of the United States was during the Nixon administration. I think that is a sad commentary. Unfortunately, I have to agree with you.

Mr. Gilman?

Mr. MALONEY. Mr. Chairman, I would correct the effort. I think there is being a great effort made by this administration.

Mr. RANGEL. Let the record indicate that Mr. Maloney has said for the record that a great effort is being made by the administration.

Mr. Gilman?

Mr. GILMAN. Thank you, Mr. Chairman, lest we lose the point of our being here, which is to try to make certain we are doing a better enforcement job right here in the Port Authority, let me just ask, gentlemen, what portion of the court cases end up in your bailiwick?

Sterling, what portion of the Port Authority cases, the JFK cases come through your office?

Mr. JOHNSON. I couldn't give you a specific number.

Mr. GILMAN. Just a rough idea.

Mr. JOHNSON. My role in the airport cases is usually advisory, assisting——

Mr. GILMAN. Do you get any airport cases?

Mr. JOHNSON. Oh, I do get some.

Mr. GILMAN. What percentage do you get?

Mr. JOHNSON. I really don't know. I couldn't give you an exact figure.

Mr. GILMAN. Mr. Maloney, what portion of the airport cases do you end up with?

Mr. **Maloney**. We take just about all the airport cases. If the amounts are of a weight, rather insignificant, less than 100 grams of cocaine or something.

Mr. **Gilman**. What percentage would you——

Mr. **Maloney**. I couldn't give you a percentage, but we take no marijuana cases. They all go through local district attorneys' offices.

Mr. **Gilman**. Would you get more than half, less than half of the cases?

Mr. **Maloney**. Oh, we take more than half of the cases that come through the airport.

Mr. **Gilman**. And what about the Southern District, Mr. Baird?

Mr. **Baird**. Congressman Gilman, I think the airport cases that we take are airport cases that are part of a larger conspiracy case. The pure airport cases, a seizure at the airport unconnected to a larger conspiracy, Mr. Maloney in the Eastern District is certainly going to get.

Mr. **Gilman**. Do most of the Port Authority cases end up in the federal courts or would most of them end up in the state courts?

Mr. **Maloney**. If you are talking about total numbers, most probably would end up in the state because an awful lot of it is marijuana. But when you get to cocaine and heroin, most of that goes into the federal courts.

Mr. **Gilman**. Is there a backlog now in each of your court prosecution jurisdictions?

Do you have a backlog, Sterling, right now?

Mr. **Johnson**. Absolutely. Last year, 1986—I have a small office, 70 attorneys working for me—I had 5,250 indictments.

Mr. **Gilman**. Could you put the mike in front of you, I don't think your mike is working.

Mr. **Johnson**. 5,250 indictments as opposed to 3,100 indictments in 1985, a tremendous——

Mr. **Gilman**. 5,000 indictments last year?

Mr. **Johnson**. Last year.

Mr. **Gilman**. How many are backlogged now?

Mr. **Johnson**. At least a couple of thousand.

Mr. **Gilman**. Several thousand backlogged cases?

Mr. **Johnson**. Several thousand.

Mr. **Gilman**. How old is the oldest?

Mr. **Johnson**. It takes me maybe a year and some months to dispose of the average case.

Mr. **Gilman**. And are most of those traffickers out on bail?

Mr. **Johnson**. A tremendous amount of them are out on bail.

One of the things I would like to comment about is that one of the things I must commend the administration for is their forfeiture program. They have a good program where local authorities, if they assist federal authorities in an investigation——

Mr. **Gilman**. End up with a good choke of the money.

Mr. **Johnson**. Yes.

Mr. **Rangel**. Isn't that the law that the Congress passed, Mr. Johnson?

Mr. **Johnson**. That's correct. But the problem is that you can't keep the monies moving. It's backed up in the bureaucracy.

Mr. **Gilman**. How long does it take you to get those funds?

Mr. Johnson. There has only been one forfeiture check in the last two or three years that I know of.

Mr. Gilman. So there is a delay in distribution?

Mr. Johnson. Absolutely. And if anything comes out of this hearing, I would suggest that we look at that and maybe even give additional funds to the Department of Justice so they can hire some support personnel to get these monies.

Mr. Gilman. Thank you for raising that. We will ask our staffs to dig into that as quickly as we can.

Mr. Johnson. The other thing that I have done, and I am working with the Immigration authorities, we have several illegal aliens—it is a problem with illegal aliens—who are trafficking in drugs, small amounts. What I have suggested is that we do is to arrange a plea bargaining situation where the defendant will plead guilty to a felony, agree to a jail term. The sentence be suspended on condition that the illegal alien leave the country, pay his own way and get out of the country. We have such an agreement with the Immigration authorities right now.

Mr. Gilman. Is that working out now?

Mr. Johnson. We have not had a case yet, but hopefully, we will.

Mr. Gilman. Mr. Maloney, what about your backlog on prosecutions?

Mr. Maloney. Well, we don't have a backlog so much because, thanks to your mandatory minimum laws right now, we are getting early dispositions on a lot of cases. But the problem is that——

Mr. Gilman. Do you have any backlog?

Mr. Maloney. No significant backlog. But the problem is that we are using a good deal of the office staff on narcotics cases because about half of our indictments are in the narcotics area. So it does not free us up to do other types of investigations, which we would like to do.

Mr. Gilman. And Mr. Baird?

Mr. Baird. Congressman Gilman, I think my answer is the same as Mr. Maloney's. Sterling Johnson is the one that gets the backlog. The federal courts, the federal prosecutors have more ability to tailor what they take in to the resources. If we had more resources we would take a lot more cases.

Mr. Gilman. Now, what about this translator problem? I don't understand. Have you made a request for more translators so that you would have the capability of dealing with these various ethnic groups and been denied, or is it just a matter of a problem that is in the development stage here?

Mr. Baird. I think it is a matter, in part, of the development stage and in part of resources. If you ask for translators who can speak Twee, you don't find very many who are qualified and who you can do a security check on, who have had a security check and can work for the government.

Mr. Gilman. Have you brought this to the attention of the budget people in Washington?

Mr. Baird. Well, our office has brought it to the attention, yes, Congressman, but it is a recent problem.

Mr. Gilman. How recent has the problem been?

Mr. Baird. Well, for example, in the Twee case I speak of, we are talking about late 1986 when the problem arose.

Mr. **Gilman**. Mr. Maloney, do you have any other comment about the translator problem?

Mr. **Maloney**. No, but I understand, I think it is more properly addressed to Mr. Stutman and Mr. Sheer when they come aboard here this morning, but I do know that they are actively recruiting agents in Chinese capabilities, et cetera.

Mr. **Gilman**. Mr. Johnson, any further comment on that?

You want to move that mike in front of you? Don't we have someone who can fix these mikes for us?

Mr. **Johnson**. The case that Bruce Baird is referring to is a case that my office, his office, the FBI, DEA worked on and it was a translator problem, and I think that the FBI or DEA had to go out to California, to a language school, to get some translators. And it is a problem and I think it is going to be a bigger problem in the future, for all languages: Chinese, Yiddish, you name it.

Mr. **Gilman**. I am pleased you raised this issue for us. It is something, again, we will call on our people to do.

Now, I think it was Mr. Maloney who raised the van problem? Who mentioned the mobile van that you weren't——

Mr. **Maloney**. I did.

Mr. **Gilman**. The need for more equipment of that nature?

Mr. **Maloney**. At this airport, to re-emphasize, we have been making a lot of money for the government at this airport, a million dollars a month, and we believe, convinced, that if we had more manpower in the way of manpower as well as equipment, and a van is what I am talking about in particular, we probably would double or triple on any ratio you would give us, the money we are saving here at the airport.

Mr. **Gilman**. Which agency needs this?

Mr. **Maloney**. Customs.

Mr. **Gilman**. And has that request gone in?

Mr. **Maloney**. There is one request pending. They are expecting the van. I submit to you you can address that question when the custom's official arrives here at this table. I am sure they can use more than one van.

Mr. **Gilman**. And are you having a problem with seizure funds coming back to your agency?

Mr. **Maloney**. Well, that would be, again, more appropriately addressed to Mr. Stutman.

Mr. **Baird**. Congressman, we don't get the seizure funds. Local law enforcement agencies can be the recipients, federal agencies cannot be. That would be a great change in the law if some of those seizures could be used for federal drug enforcement purposes. In the meantime, since Mr. Johnson's office and ourselves work very closely together, we back his requests. The U.S. Attorney in the district has to sign off on the request, and we do, immediately. And if we don't immediately, Sterling gives us a call. So the backlog is in Washington.

Mr. **Gilman**. You say you are restricted from using any of the forfeiture funds?

Mr. **Baird**. That is correct, Congressman. The law provides that local and state law enforcement agencies can share in those seizures, but any money that is not allocated to them goes back into the general fund, and is not able to be used for federal law enforcement purposes.

Mr. **Johnson**. I would like to state for the record that right now the Drug Enforcement Administration seizes more monies than their entire budget. They seize almost a million dollars a day, from 365 to $400 million a year, the Drug Enforcement Administration. And part of these monies are to go back to local law enforcement, and as I said before, somewhere in Washington, the request from local law enforcement gets lost in the black hole.

Mr. **Gilman**. We will try to shed a little light on that black hole for you.

Mr. **Johnson**. Well, I would like also to say that I have been making telephone calls. I won't hesitate to pick up the phone and call, and Mr. Burns, a Deputy Attorney General, he has been very, very helpful, and things are getting moving now, I hope.

Mr. **Gilman**. Thank you. Thank you, Mr. Chairman.

Mr. **Rangel**. Mr. Towns.

Mr. **Towns**. Thank you very much, Mr. Chairman.

We have heard the term "war on drugs" several times this morning. Let me just ask a question of all three of you: Over the last three years, has your budget increased or decreased?

Let's start with you, Mr. Johnson.

Mr. **Johnson**. I would have to say my budget has remained basically stable, it has not increased. While the problem has escalated, my budget has remained stable. And no matter how hard I beat the bushes and how hard, the people will hold the purse strings. They say that we are against drugs and we have this war on drugs, they don't let go of those purse strings. They don't give you resources. I have a very, very small office compared to a lot of prosecutors' offices, 70 assistants, and I would say that 40 percent of every defendant who is in jail in a state prison for drugs, my office sent there. 55 percent of every defendant who is in a state jail from New York City, my office has sent there. In 1986 I sent over 1300 people to state prison, and the way it looks now I will be sending more and more and more, and the budget remains stable, if that answers your question.

Mr. **Towns**. Yes, and it is important because it seems to me your cases have almost doubled and your budget is the same, and it is hard to have a war on anything when you are decreasing the budget. A war, it would seem to me, you would have to increase the budget if you even contemplate having a war.

Mr. **Johnson**. Well, you know, people say "war," when they first get into office, but you cannot win any war, you can't win anything without a commitment. And I am not talking about just getting on the television and looking nice and holding the lady's hand and saying what you are going to do. You have to match it. You have to treat this problem as you treat the budget. You have to treat this problem as you treat inflation. But without that commitment, that real commitment, not just rhetoric, you cannot have a war, at least a successful war.

We talk about a tremendous amount of seizures that we are making, and law enforcement traditionally says that if we seize ten percent of all of the drugs that are aimed for these shores—ten percent of the drugs that are aimed for JFK airport, we are successful. In reality, if we get one or two percent, we are really doing a tremendous job. We don't get ten percent, we get one or two percent, I estimate.

Mr. **Towns**. Thank you, very much.

Mr. Maloney, same question.

Mr. **Maloney**. Well, the way I would answer that question. This district—I wish Congressman Flake was here to hear it—we have probably the fourth largest district in the country. We have got over 7 1/2 million people, half the population almost of the New York State, yet we only have 12 judges and 77 assistant U.S. attorneys to serve 7 1/2 million people. There are reasons for that, probably historical. I understand somewhere back up until around 1977, this was considered a rural district and, therefore, didn't get the appropriations. I would think you could double the size of this bench and double the size of the U.S. Attorney's office here to do a more adequate job in not only narcotics, but a whole number of areas in this particular district that should be addressed.

Mr. **Towns**. So, in other words, if we get more dogs and we get more vans, if we do not correct that particular aspect we still have a problem.

Mr. **Maloney**. We only have 12 judges sitting here. Across the river, in Southern District, they have got, I think, 26 or 27 judges and they are blessed with another dozen senior active judges. Other than Judge Mishler who from time to time as a senior judge takes cases, we don't have that kind of an inventory of judges to handle the cases we would like them to handle. The staff is overrun with narcotics cases from this airport and therefore there is a lot of other things we would like to do in this district besides just narcotics enforcement, if we had more assistance.

Mr. **Towns**. Thank you, very much.

Mr. **Baird**. Congressman Towns, the one big increase in budget that the U.S. Attorneys' offices have had is the creation of the Organized Crime Drug Enforcement Task Forces. With the creation of those Task Forces about four years ago, we almost doubled the level of our commitment to narcotics prosecutions. Since then, things have remained stable, and we could certainly use more resources in every way. But there has at least been that really helpful and crucial, I would say, initiative.

Mr. **Towns**. Right.

Second question, in combatting crime, infiltration evidently is very important. And when I hear you talk about the fact that the language and the culture and all these things and that you hope eventually you will be able to do something about it, have you thought in terms of special contracts or special arrangements with outside investigators to come in and try to assist you until such time as we can get people trained to do the job?

Mr. **Baird**. I think, Congressman, that that might be a question better addressed to the agencies, but that is—one of the problems with that is the appropriate training and the appropriate security clearances to be sure that the people you are getting come up to the standard of federal law enforcement agents.

Mr. **Towns**. Thank you very much, but I would just like to say that when you look at the magnitude of the problem, you know, and you are talking about combatting, that you have to look at every aspect of it, so I think that that is something that needs to be examined. I agree with you that some questions should be raised with the D.A., rather than you.

Thank you very much, Mr. Chairman.

Mr. RANGEL. Thank you.

Jim Sensenbrenner.

Mr. SENSENBRENNER. Thank you very much.

It looks like I have a malfunctioning mike too.

I would like to get back to the issue of the ethnic couriers who are bringing heroin in through JFK Airport and I notice that one single flight of Nigerian Airways, from Lagos to JFK, had two major drug cases on April 15, 1987: One an off-duty captain who was found carrying $7^1/_2$ pounds of heroin in two packages wrapped in black tape inside his trench coat pocket; and another, a nine-year-old boy who was traveling alone with seven-and-a-half pounds of heroin in his trunk. The plane was seized following these apprehensions and I am wondering what cooperation you have with the airlines that come into this airport, to have them perhaps spot and identify people who might be suspicious?

Mr. MALONEY. Well, let me put it this way: Last week, Congressman, representatives of my staff had a meeting with representatives of the Minister of Justice for Nigeria to start—partly as a result of this child case you mentioned—to get closer coordination between enforcement people in Nigeria and here at Kennedy Airport. Indeed, incidentally, that nine-year-old boy who brought that heroin in, the recipient of that, who was arrested at the airport, just received 20 years, which is a rather substantial sentence for the amount of weight involved in that particular case.

But particularly the airline itself, no, we don't have any particular relationships with the airline itself, sir.

Mr. SENSENBRENNER. I would like to ask a question of Mr. Johnson. I know that you have written Chairman Rangel about cooperation by the airlines with your office, and gave some specific praise to Pan Am and some specific brickbats to Delta Airlines. Which airlines are the ones that are the most uncooperative with your office in giving information?

Mr. JOHNSON. I am not going to go for that one.

Mr. SENSENBRENNER. You have already named Delta in your letter to Chairman Rangel.

Mr. JOHNSON. This was an investigation that was developed by the Drug Enforcement Administration and the Port Authority police and the Eastern District, and we had requested cooperation from that particular airline to infiltrate and identify and investigate and arrest these people, and they were very uncooperative. Hopefully, as a result of that particular case, if we have any additional information about these airlines—and we do and we are working on these things—that they will cooperate. But I am not going to single out any airline right now, because we do have things going.

Mr. SENSENBRENNER. Do you think a well publicized seizure of a plane of an uncooperative airline might increase cooperation in the future?

Mr. JOHNSON. As they say, that will get their attention.

Mr. **Sensenbrenner**. Go for it.

Thank you.

Mr. **Rangel**. Mr. Traficant.

Mr. **Traficant**. Thank you.

I have a couple of questions. Perhaps we could answer them as briefly as possible and we could move on.

Number one, to the three members, if you could just briefly expound upon how many cases you received in major drug trafficking that were the product of joint investigations that involved the FBI and the DEA? And do you in fact see—since the FBI has had authority and entered the narcotics field, do you see a close coordination and sharing of intelligence between those two prime agencies?

Mr. **Baird**. Congressman, we have a number of such cases. That is something that historically didn't happen, and with the creation of the Organized Crime Drug Enforcement Task Forces, they are starting to—and the entry of the FBI into drug enforcement—they are starting to work much more closely together in drug cases. In New York there are so many drug cases that they are really forced to work together.

I think this panel would agree that in the New York area there is more inter-agency cooperation in narcotics than law enforcement agencies are used to engaging in. The FBI and the DEA work together quite a bit, in my experience.

Mr. **Maloney**. I think as a sheriff, you would find the New York operation, for instance the New York Joint Task Force, which was created by a good dear friend of myself and the Chairman, William Tende (ph.), 15 years ago, I think it is the model, again, for the country. It consists of a large number of New York detectives, DEA agents, state police, and they have been doing magnificent work for the last 15 years working together.

JNSU, which I mentioned earlier, here at the airport, is another unique system which I think can be a model for the rest of the country. So the cooperation is a lot better than used to be a dozen years ago when I was last in law enforcement and it is remarkable to me how close it is here. That is not just blowing smoke, it is very good here. That is not to say there aren't problems.

Mr. **Johnson**. I would have to concur with what my colleagues said. In fact, the New York City Police Department has so many members assigned to the FBI that Ben Ward sometimes calls the FBI building Two Police Plaza, and they are working very, very well.

The Drug Enforcement Task Force is a model for a task force. Speaking about the van, we have a sophisticated van with a lot of electronic equipment that my office has that I lend to any law enforcement agency that requests it. I have a budget to buy drugs, and frequently, if I don't have enough money, the FBI or the DEA, they will give me money. If they don't have enough money, I will give them money. So I would have to say, Mr. Traficant, that cooperation really is a tremendous thing here in New York City.

Mr. **Traficant**. All right, then we can assume from your testimony that they share buy money and will provide to an agent that comes to them from another agency with a legitimate case, they will have a transfer of cash to be used as a buy and have that kind of cooperation?

Mr. **Johnson**. They have done it as far as I am concerned.

Mr. **Traficant**. You have documented that?

Mr. **Johnson**. Absolutely.

Mr. **Traficant**. Second of all, perhaps my last question is this: I am concerned about not only the number of indictments you have, your conviction ratio to those indictments, number one; and, number two, the number of these types of emerging ethnic criminals who are able to jump bail maybe and leave the country and continue to pose a problem. So if you could address yourself, first of all, to what is the success rate of conviction versus those indictments?

Mr. **Johnson**. Well, my office has about an 80 percent conviction rate, and if I have a defendant who doesn't have roots in the community and he is released on bail, that is like giving him a ticket to go back home. And they do frequently flee.

We have, I don't know how many hundreds of thousands of people out for bench warrants, but we do have substantial amounts, and the problem being is that I don't know what goes into the minds of judges when they set bail, but probably one of the considerations is the fact that there are no rooms in jail.

Mr. **Traficant**. The reason I mentioned is that one of the biggest cases about five years ago was in Miami where they got 90 pounds of cocaine and transferred $9 million in cash, they put, I believe, a $3 million bail on the individual. It was dropped down within about 45 minutes to $1 million in bail. An individual came in with $1 million in a briefcase, one of his friends, left the country, never showed for trial. So you don't know and don't have an exact count of the numbers that would be fleeing and jumping bail.

Mr. **Johnson**. No, I don't, but that is a problem in state jurisdictions also. That, including the pressures of time that we have to indict within six days, and if we don't indict within six days they are paroled.

Mr. **Traficant**. In line with that question, I'm going to the other two, if you will then, Mr. Johnson, do you feel that maybe there is such an overloading on the system from these types of arrests, the judges are being pressured from the other side, from the large cell commitment that is needed to hold some of these people, that they are in fact making those bail limits maybe a little lenient.

Mr. **Johnson**. I don't know, but I can tell you that the pressures, the loads of cases that are coming in, you just can't imagine. I think that I am the only office in the country, 70 people, that has 5,000 indictments. Now are these are 5,000 that we caught, not counting the ones that we didn't catch. But the pressures are an ingredient in the problem.

Mr. **Gilman**. Would the gentleman yield?

Mr. **Traficant**. Yes, I yield.

Mr. **Gilman**. Of 5,000 indictments, how many convictions, Sterling, would you say you get?

Mr. **Johnson**. These 5,000 indictments were in 1986, and it will take about a year.

Mr. **Gilman**. Roughly, what would you estimate the normal percentage would be?

Mr. **Johnson**. Eighty percent of them will be convicted, at least 80 percent.

Mr. GILMAN. Thank you.

Mr. JOHNSON. Hopefully more.

Mr. GILMAN. I thank the Gentleman for yielding.

Mr. TRAFICANT. And that was your statistical data on the 3,200 approximate for 1985, about 2,400 convictions?

Mr. JOHNSON. That will not happen until a year from now. We have 5,000 indictments in 1986. Probably by the end of 1987 or 1988, hopefully, at least two-thirds of those will be disposed of with convictions.

Mr. MALONEY. Well, if we are talking about smuggling cases here at the airport, the conviction rate is probably about 95 percent. With money laundering cases it's even higher, it has been 97 percent on the money laundering going out. As far as flight, most of these mules or couriers that we get at the airport are aliens and they are immediately remanded. Immigration detains them so there is not a flight problem with the aliens.

Mr. BAIRD. Congressman, I think our conviction rate too is in the 90's. The difference between us and the state jurisdictions is that we have more flexibility in the cases we don't have to take at all and that, if anything, explains the difference. So the conviction rates are high.

In terms of bail, I think specifically, as I said before, with the emerging groups, you have the problem that they are not viewed as seriously. If you get a Mafia member smuggling drugs, he is going to be held. If you get a Ghanaian with a kilo of heroin on him and a wife and children, even if he doesn't have any roots, he may not be held. And as I said, in one Ghanaian case, 25 percent of our defendants who were released on bail fled.

Mr. RANGEL. Would the gentleman yield?

Mr. TRAFICANT. I will yield, Mr. Chairman.

Mr. RANGEL. Mr. Baird, you keep saying "cases we don't have to take," and I appreciate your candor, but it was my understanding that any violation of the state narcotics laws also violates Title 18?

Mr. BAIRD. It absolutely does, Mr. Chairman.

Mr. RANGEL. Okay, now, let's try to take a look at our responsibility here. If someone comes in and tells you that this individual has violated the federal narcotics laws, under what theory would you say you don't have to indict him?

Mr. BAIRD. Well, Mr. Chairman, it is a question of resources. We have——

Mr. RANGEL. That's practice. I would just like to know the legal theory that when you violate the federal law and you are brought before a federal magistrate, and you are there, what theory do we have in the U.S. Attorney's office as to this selective prosecution in terms of limited resources? What happens if Sterling Johnson then decides that he too doesn't have to take the case?

Mr. BAIRD. Well, Mr. Chairman, I think it is true that both our offices have resource problems, and you certainly engage in some triage at the point where you believe if you take all these cases you won't prosecute any of them successfully. Instead, you take as many as you can prosecute successfully, given the resources that you have.

Mr. RANGEL. Well, could you just share with me the language you use when you find this drug trafficker that you can't take and

Johnson can't take, what do you say? Because I am familiar with the press conferences we have in the Southern District, I just don't recall any when you said "We don't have the resources so, therefore, we are not going to prosecute."

Mr. Baird. Congressman, there may be smaller cases and usually the language would probably be used by Mr. Johnson, not me, because they may go to him second and if he doesn't have the resources either——

Mr. Rangel. Then?

Mr. Baird. Then there may be other places they go, I don't know. We are talking about the City of New York and we are talking about more narcotics cases than can be handled by all of these jurisdictions together.

Mr. Rangel. Could you tell me where they might go?

Mr. Baird. Well, to other local jurisdictions who might have concurrent jurisdiction.

Mr. Rangel. Well, after the City of New York—and I have been around 57 years—I don't know of any jurisdiction you go to after you finished with the local prosecutor.

Mr. Baird. Well, I am saying, Congressman, you know, you could conceive of situations, for example, in which part of the case was in Nassau county, and you might be able to go to Nassau County or New Jersey.

Mr. Rangel. Okay.

Mr. Gilman. Would the gentleman yield?

Mr. Traficant. I'll yield.

Mr. Gilman. Thank you, Jim, I appreciate your patience.

How many cases of that nature are there, where you bounce it back to Johnson and Johnson says, "I can't do it," and out the window it goes?

Mr. Johnson. I'd like to say that any case that comes to me, I take. That is one of the reasons for my——

Mr. Gilman. You don't turn any back?

Mr. Johnson. I have to deal with the low level, the middle level, and the high level and do the best that I can. I don't turn any cases away. If someone says they are selling a small vial of Crack, I have to address that issue.

Mr. Gilman. Thank you.

Mr. Johnson. Sometimes I am successful, sometimes I am not successful.

Mr. Gilman. I thank the gentleman for yielding.

Mr. Traficant. I have another brief question, I would like to make the point here as a former sheriff, sometimes these cases end up in the Justice of Peace offices. I could say that lightly, but these gentlemen, evidently, from the statistics I've read, are doing a great job. I think they need more money. I think the prosecution of these cases is sorely in need of increased funding and proper resources.

Mr. Sensenbrenner. Would the gentleman yield on that point?

Mr. Traficant. I will yield to the gentleman.

Mr. Sensenbrenner. It seems to me that the judiciary committee has chopped back on the request for funding for United States Attorneys in order to provide money for things like the Legal Services Corporation. That was Congress setting priorities, and I don't agree with those priorities and I hope the Gentleman from Ohio doesn't either.

Mr. **Traficant**. I think we have to look at all the priorities and taking the time we certainly shall.

I think one of the problems we have is that we do fight over limited resources, but I think we have to address that.

The last question, more or less on the line of networking, even though it's a law enforcement question: I would like to know what kind of national forums you have where the prosecutors at the federal level and some of the major local levels, in conjunction with the law enforcement agencies, feds and state, conduct their different transfers of information seminars to discuss where these drugs go, if there is a networking pattern, once they do come in. Because it is evident that it is sexy to bust them off Yosi, but the Chinese national may not get as much attention. What type of transfer and flow is there between the prosecution arm, the law enforcement arm, to see if there are any patterns or how do you interact?

Mr. **Maloney**. Well, again, I think appropriately that should be addressed to the enforcement people who are coming behind us. I do know they have an intelligence unit at 57th Street which, again, aboard it has federal agents, state agents, and local police. And there is, as far as I know, a free and open exchange within that unit on their parent organizations of the very things you are addressing, sir.

Mr. **Johnson**. There is an organization called the National District Attorneys' Association that has a Subcommittee on Narcotics. I have addressed them numerous amounts of time. I am also pleased to announce the formation of a new group called the National Black Prosecutors Association, and they are having a convention here in New York on July 18th at the Pinta Hotel, and there will be a panel on narcotics and the exchange of information. I am going to moderate that particular panel. I think it's been Congressman Rangel speaking.

Mr. **Baird**. I think again, too, the fact that all three of our jurisdictions are overlapped and they cover New York City, a very small space, means that the agencies which are investigating these crimes do a great deal of cross fertilization. They often know when someone else is investigating a case because of their policeman on the Drug Enforcement Task Force bringing federal cases, and federal agents that take cases to the state prosecutor, to Sterling Johnson's office, and so there is a great deal of exchange of information in New York City.

Mr. **Gilman**. Would the gentleman yield?

Mr. **Traficant**. Yes, sir.

Mr. **Gilman**. How often do you gentlemen get together to discuss your mutual problems on enforcement and strategy?

Mr. **Maloney**. The chief of my unit is behind me, Mr. Rose, Mr. Baird on the phone once a week, at least.

Mr. **Gilman**. No, I am talking about the three of you.

Mr. **Maloney**. Well, I wouldn't deal with him, I would deal with his boss, Mr. Giuliani, but my chief of my narcotics unit, who is right behind me, would be dealing with him on a regular basis, and I know I have dealt as recently as yesterday afternoon with Sterling Johnson.

Mr. GILMAN. Well, I am not talking about the day-to-day emergency approach. Do you ever sit down around a table, the three of you, to discuss the strategy? You are all key people in the enforcement effort, in the prosecution effort; do you ever sit around and work on strategy? Have you been consulted on strategy? Do you sit and exchange ideas periodically?

Mr. MALONEY. Per person, no. But our staffs do, sir.

Mr. BAIRD. It is certainly true, Congressman, that we talk on the phone on such a constant basis because the problems are so interwoven.

Mr. GILMAN. But those phone calls are day-to-day problem areas. Do you sit around and try to work out some long range planning together?

Mr. MALONEY. Well, yes, we do on occasion, again, the unit chiefs, an example being the new mandatory minimum laws that you passed. I know there were strategy sessions written out so that both districts have a joint policy in how to handle defendants and plea bargaining and things of that nature. So that does go on, but there is no formal plan to it, sir.

Mr. GILMAN. I would hope that you would find an opportunity—you are three key players—to sit around and work up some programs that might be helpful to all of us.

Mr. JOHNSON. We do, we do frequently, and we have investigations that are going on and we sit down and I have people in my office who are cross designated as special assistant United States' attorneys in Bruce's office and we are working right now. We have cases with the FBI and the Drug Enforcement Administration. We have briefings and we have the charts, but we do. In addition, we are only a phone call away and when we call each other, we return the phone calls. So we are in constant combat. It is not a day-to-day emergency-type situation.

Mr. BAIRD. If I could just say one more thing, Congressman, there is an Organized Crime Drug Enforcement Task Force also that covers the New York-New Jersey area, and that group, which contains representatives of the FBI, DEA, Customs, Coast Guard, various agencies involved in enforcement, as well as various prosecutors, meets weekly.

Mr. GILMAN. Thank you.

Mr. TRAFICANT. Mr. Chairman, in closing out, I would just like to make a recommendation that these prosecutors and the individual you will be seeing here in New York, are probably as well trained as anyone in the world, especially dealing with the types of problems presented from drugs. And I would like to see some program developed where individuals like this could work with other cities that are on the networking end of these drug shipments, where they can work and share some of this information and knowledge.

I think it would be very important to develop some type of a program, it may not be costly, to make these types of people, as a technical resource, available to other prosecutors and other communitywide drug units.

Mr. RANGEL. I trained these two though.

Mr. Green.

Mr. GREEN. I'd like to get back to the issue that Mr. Maloney raised about cargo shipments and the problems of dealing with them.

What percentage of the heroin that comes in would you say comes in in cargo as opposed to on people?

Mr. MALONEY. Nobody knows.

Mr. GREEN. But you assume it is fairly substantial?

Mr. MALONEY. We assume, particularly organized crime people. Their pattern has been mainly to rely on cargo shipments, both Port Newark and here, as far as our intelligence is concerned. And much of the large seizures from the Chinese have been in furniture and things of that nature. So most of it comes in—by and large, the overwhelming percentage has to be coming through cargo.

Mr. GREEN. Is there any way that you can bust those cases, other than by intelligence or tips or whatever you want to call it?

Mr. MALONEY. As a practical answer, to my knowledge, only by intelligence. You can do a limited amount with dogs and inspectors and I'd rather have them address that issue, but just from a volume point of view, I don't know of any practical way.

Mr. BAIRD. Congressman, one thing which in part is something I mentioned before, is cooperation at the law enforcement agency level with the country from which the cargo originates. For example, with the Italians, we have a very close cooperative effort, and sometimes we find out what is coming in because of their law enforcement efforts and communications to us about those efforts. We have been less successful so far in some of these other countries from which the cargo comes in developing those relationships.

Mr. GREEN. Could you identify from which countries the cargo is coming not the people carrying stuff, but the cargo?

Mr. BAIRD. Well, we are talking about some of the same countries I mentioned before as countries from which drug shipments originate. There are also tran-shipments through other places, but much of the cargo comes from the originating countries, for example, Lebanon.

Mr. GREEN. There isn't much of a government left there to help you.

Mr. BAIRD. There is also the India-Pakistan-Afghanistan area from which we know the Southwest Asian heroin comes. As to Southeast Asian heroin, Hong Kong and Taipei, and the Philippines.

Mr. GREEN. Are you getting cooperation at least from those governments that are friends, theoretically?

Mr. MALONEY. Well, almost a classical case occurred just a few months ago, it's called Wei Lee (ph.). The Thai police contacted New York federal agents and JNSU, the outfit here out at the airport worked the case. They were told about some heroin coming in, some 30 pounds of heroin coming in furniture. They were able to surveil it, take it to delivery, roll those people over, call back the Thai police and then arrested Mr. Wei Lee who was the boss of that organization.

They deported him immediately to Hong Kong. Hong Kong deported him to London because he was a Malaysian, and London deported him to us. He is now doing 20 years. But that was a case which we were able to know about the cargo because of the intelligence that Mr. Baird has told us about, and it is also a classic case of getting better cooperation from foreign police agencies like the Thai police and the Israeli police, who have very good—and the Italian police who we have very good experiences with.

Mr. Green. Mr. Johnson.

Mr. Johnson. There is one basic principle that we cannot forget and that is that smugglers are limited only by their imagination. I was in Pakistan, just aside of Afghanistan, and I was taken to a place called the "Smugglers Mart," and what it really was, was a flea market for smugglers. Amongst my amazement I saw Russian televisions, and Russian refrigerators, and Russian freezers, and I said to myself, "My God, if they can smuggle out these appliances from Afghanistan to Pakistan during a war, imagine what they can do with 2.2 pounds of heroin. And that is what is happening.

Mr. Green. Thank you, Mr. Chairman.

Mr. Rangel. Congressman Flake.

Mr. Flake. Thank you very much, Mr. Chairman.

I have a concern. Some of what I hear has triggered some thoughts that perhaps I have really never had before, but I would like to get some reaction from you.

I keep hearing "Russia." I keep hearing "China," and I just wonder why we are trying to count the number of material weapons in the Russian arsenal and count the amount of availability of different kinds of nuclear weapons of the Chinese. Is it possible you are telling us this morning that we might be destroyed not by the weapons we can count, but that in fact, if there is a continued growth of the drug trade. and that if those nations have some relationship to it, we can in fact be destroyed by a weapon that is finding its way into the streets, a weapon that we have never viewed as a weapon?

Mr. Maloney. I don't know quite how to answer your question. I think that hundreds of thousands of lives have already been destroyed, particularly in New York City, by this drug problem; both in the heroin area and in the cocaine area. To stop it all, I believe is impossible. Someone once told me, some expert, that all you need is one square mile of the earth to supply all the opium you need for all the heroin addicts in the world. And, therefore, doing it by satellite or some other way wouldn't be very practical.

We used to say years ago two things make an addict, the availability of the drug and another addict. They seem to act like "Typhoid Mary's" where there are heroin or cocaine users. And I think, we all know, this Committee certainly recognizes, it is a major national problem in this country and it is getting worse, of course it is.

Mr. Flake. Just permit me, if we have a drug problem that we cannot get a handle on, and those nations that are not our allies—who we would expect, if there is a war we would be at war with, i.e. Russia and China—I am asking if they know we cannot get a handle on it, ought we not be afraid of the possibility of their being able to develop a network for getting drugs into our country? Since they know that drugs are destroying us, aren't we as fearful of that as we are about anything else. I am having a problem here this morning.

Mr. Johnson. Let me attempt to answer that question.

First of all, I think that you are correct in your premise that we are being destroyed by drugs. Secondly, there are basically three classes of nations. There is the producer nation, there is the transient nation, and there is the consumer nation. Now the United States is the largest consumer nation, as far as drugs are concerned, in the Western Hemisphere. But what we are having now is not just producer, transient and consumer, you are having producer/consumer; you are having transient/consumer; and you are having this large consumer nation consume even more.

Now, in all of my years, I used to go around and hear some of these countries, producer nations, who would say, "That is an American problem. If there were not the demand there wouldn't be the supply." But what I am finding out now is that a lot of these nations, producer and transient, are saying, "We have a problem, can you help us? How do you solve your problem?" And maybe what will happen is that as we are having our problems and they are having their problems, you are going to have a convention that they had in Vienna and maybe they will start getting serious because it is impacting upon them. They have a tremendous problem as far as drugs in South America, and the Caribbean, and we still have our problems here, and with drugs come crime.

Mr. TRAFICANT. Would you yield for a second?

Mr. FLAKE. Yes, sir, be glad to.

Mr. TRAFICANT. Let me ask one pointed question: Have you had any case that suggested or may even lead you to believe that a foreign government, with intent, may be in back of or a part of, any of this drug transaction, international trade that is emerging from different sources. Have you had any case, any informant, any of your prosecuting apparatus that would lead you to believe that there is a cognizance and an absolute intent of any of these foreign powers to try and damage America in a different way than we have ever faced before with these narcotics?

Mr. RANGEL. For God's sake, say the communists are behind this. [Laughter.]

Mr. BAIRD. Congressman, the one instance that I am aware of that came out in a recent case that is known colloquially as the "Pizza Connection Case," a large Italian drug conspiracy, was that the Bulgarian government and the Bulgarian Secret Police were involved in the transshipment of heroin.

Mr. RANGEL. How about Castro? Don't we have some evidence that he was involved somewhere?

Mr. MALONEY. That was the case that I was referring to, and I happened to mention it in the press, and I got an angry retort from the State Department. And the only time I hear from them is when I get these angry retorts, but we do have some evidence that drugs are coming in through Cuba, Cuba being the transient point, but they were coming from Colombia into Cuba into the United States.

Mr. RANGEL. Well, I have reason to believe that it is all a part of a Soviet conspiracy and that Cuba is really being used as a launching pad. Maybe we could get some reaction from the administration that way.

I don't mind being quoted. [Laughter.]

Mr. TRAFICANT. Although we might laugh about it, I just want to know if when you are going in those directions you look to see if there are any signals of any overt, actual attempts of anyone, superpower or whatever, to try and cause America problems.

Mr. **Maloney**. But the problem is that even if we did find out, what is going to be done? Nothing is going to be done.

Mr. **Rangel**. He is saying it is a national security—you know, what Congressmen Flake and Traficant are saying, and former Chief Justice Warren Burger said it publicly—that the threat of narcotics, in his opinion, was more serious than the threat of communism.

Mr. **Maloney**. I agree with that.

Mr. **Rangel**. The President has said that this is a national security problem, and so what these gentlemen are saying is, "Do you see our nation geared up to protect our national security against this threat to our nation? And while I may joke and say the Soviet and the Cubans, if there is anything that can excite our national forces to treat this the same way we treat taking over Granada, which you know mobilized us, then I think we should look at it with the same degree of seriousness, that's all.

Mr. **Baird**. I think, Mr. Chairman, you put your finger on it earlier in the hearing when you mentioned education. I think we certainly all agree that law enforcement, given the level of its resources, is doing a pretty good job, but the level of its resources isn't nearly adequate to address the problem.

Mr. **Rangel**. Mr. Baird, we have got other people that want to question, but if we were being attacked by the Communists, we would not start at the schools. [Laughter.]

Mr. **Rangel**. I am saying that while education has to be a serious area that we address, I challenge anyone at this table to refer to any statement made by the Secretary of Defense in connection with this war.

Mr. **Flake**. If the Chair will yield.

Mr. **Rangel**. It's your turn.

Mr. **Flake**. I think you are pushing the very point that I am trying to raise, and Mr. Johnson's reaction that "what if?" Would the government then give a different response in terms of resources and so forth?

I think unfortunately it would, under those circumstances, because it would see it as a national security problem, where as now I don't think it sees it that way. I think I see it that way. I think many of my colleagues here see it that way, and I think that perhaps what we need to do, if there is a means of documenting, that there are forces involved that could become involved, that makes this a major national security problem. That's what we need to know and I think that we can put it in a whole different arena, and from that arena I think we would get a much greater, much more positive response, and I think we need to look at that.

Mr. **Baird**. Congressman, the one thing I would point to that I think makes it clear that that's true is what happened to the Mafia in the wake of the prohibition. We let them get rich and they have taken over big chunks of legitimate society. The same thing is going to happen with drug dealers. They are getting rich and from wealth comes power.

Mr. **Flake**. Thank you very much.

Thank you, Mr. Chairman.

Mr. RANGEL. One of the most supportive and expert Members that we have on our Select Committee is Frank Guarini from New Jersey.

Mr. GUARINI. Thank you very much.

I thank you, gentlemen, for your commitment and for the good work that you are doing, and I guess what the message is is that we are doing the best we can in law enforcement, but we are still losing in our efforts. We are not succeeding because there's more drugs and there's purer drugs and it is easier to obtain them.

We just passed an omnibus budget bill which called for about $3 billion. Of course, there are about 14 agencies that are involved. We heard from the U.S. Attorney in Newark, New Jersey, who said that pitifully I am closing files because I don't have enough personnel to pursue justified actions against drug dealers and drug traffickers.

Do you have that same situation?

Mr. BAIRD. We certainly do, Congressman, and it is not just a prosecution problem, it is the whole criminal justice system. It is a problem of investigators, prosecutors, judges and jails, and the problem is at all those levels.

Mr. GUARINI. With all the people that are arrested, I assume that they are soon out onto the street and if they are sent to a judicial proceeding, there are not enough jails to put the people in, as I understand it; is that correct?

Mr. MALONEY. That in the federal system, we don't have that problem. That is more in the area of Mr. Johnson's problem.

Mr. GUARINI. But it does exist?

Mr. MALONEY. Yes, sir.

Mr. GUARINI. And we have limited resources, and yet we have various, 14 agencies that are involved. To name some of them: Immigration, Customs, DEA, and the FBI and the Coast Guard and the Border Patrol, and you just keep going on and on. Now, do you find that all these agencies are working well with each other and there is no duplication of efforts?

Mr. MALONEY. Well, we said earlier in our testimony, I think we all agree, in this peculiar area of New York, I can't think of an area of the country where there is closer cooperation between those agencies.

Mr. GUARINI. But even with full cooperation, and I imagine all the gentlemen are doing the job at the risk of their own lives and they're doing a good job, isn't there a tremendous amount of interfacing, duplication, overlapping, and a waste of resources?

Mr. MALONEY. We have a system here in New York, what they call the "deck system." So assuming if I were working on, I won't say Mr. Guarini for drugs, but if I were working on a John Doe for drugs, I would have to put his name into this computer. Now, if the FBI or DEA came along and they wanted to work on John Doe, they would have to put his name in the computer. It would kick out and find another Sterling Johnson, somebody else is working on him, and they would have to sit down, get together and prevent this duplication that you all are talking about. One agency might be the dual agency, might be a joint investigation.

Mr. GUARINI. But there are still many people that are going around reviewing the same file and updating themselves as to what has been happening so that there are more hands into the file than you would normally put in to be efficient. They say too many cooks in the kitchen can spoil the broth.

Mr. Johnson. No, what happens is, no, you just put the name into the computer, it will kick out, and it says "FBI is working on it." And then you have to sit down with the FBI and find out what you are doing, what I have, what you have, at a joint investigation.

That is not a problem in New York. We have some cases that have fallen through the cracks, but duplication, if there is any duplication, I don't think it is that much of a problem in New York.

Mr. Guarini. Well, you have federal level, county level, state level and local level. Do you find that there is any duplication in the four levels of our working on drug problems?

Mr. Johnson. Not in New York City, because everybody who belongs to this system, the FBI, the Drug Enforcement Administration, New York City Police Department, they are all participants, and you have to put the name and the investigation in the computer, and once you start an investigation, if you get a hit, you have to sit down with that sister agency.

Mr. Guarini. And nobody has any turf they protect, or jurisdiction or a perverse they feel belongs to theirs, or they get into questions or arguments as to who should get credit for making the arrest?

Mr. Johnson. No.

Mr. Guarini. You don't have any problems like that at all?

Mr. Johnson. As a general rule, no.

There are some problems, but these two agencies will get together and they will knock heads together and they will decide what is best for law enforcement.

Mr. Guarini. And when there are 14 agencies involved, you don't feel there is any waste of our resources in our budget in attacking the problem?

Mr. Johnson. I think that is a question that is best asked of the law enforcement panel, the DEA, the FBI, but from a prosecutor's perspective, I don't see that particular problem.

Mr. Guarini. Well, Sterling, when you decide that you don't have the resources to prosecute—I might ask this of our U.S. Attorneys—who do you decide to let go? Is it when there is a language barrier or it is difficult or they are aliens? Do you have some preferences?

Mr. Maloney. No, we use different guidelines. Usually weight is a problem. For instance, if it is a very minimal amount of weight that we catch, we will send it over to the Queens District Attorney's office, rather than burden our system with it. It can be very light weight, but if we think it is a significant target, we will go with the case because the federal role traditionally in law enforcement in this area has always been to try to get at the smuggling level, the international trafficker and leave the local distributor to the local law enforcement people.

Mr. Guarini. But when you find there is a different language and you don't have the investigatory people that can speak the language, do you find that you might say, "Deport them," or "Forget about that case" a lot easier than you would someone else?

Mr. **Maloney**. Well, I don't have an instance in mind, Congressman, where we couldn't get ultimately an interpreter. We go to the U.N. building, if we have to.

Mr. **Johnson**. My response to being overburdened and a lack of resources is I take every case that comes to me, but what happens is I might get a plea bargain that I normally would not want, but I'll get a conviction.

Mr. **Guarini**. Well, now, you had the Port Authority here, that's even another body of working with; they have their own police. Do they just give you access or do they cooperate in trying to ferret out any of the smuggling that is done here at Kennedy Airport?

Mr. **Johnson**. Oh, you have a great police department here. Henry DeGeneste runs a tremendous operation here.

Mr. **Guarini**. Are they involved with you in the ferreting out of the crime or are they just giving you good access and cooperation?

Mr. **Johnson**. No, Jim, my understanding is they have a task force working, and Bob Stutman will address this, together with the Drug Enforcement Administration. In fact the case that we had out here at the airport, it was some of their people, Port Authority police who were acting as undercovers, and who even went down to South America in their job. But they are active participants in these investigations.

Mr. **Guarini**. At this airport, do you find that there is a special problem with diplomats representing the countries at the U.N.?

Mr. **Johnson**. I suspect that there are problems with diplomats. How serious it is, we really don't know.

Mr. **Guarini**. Have you caught diplomats?

Mr. **Maloney**. Yes, we have.

Mr. **Guarini**. And what happens?

Mr. **Maloney**. In each instance the home country has lifted and waived any diplomatic immunity, at least in my recent memory. Even though he might have had valid immunity, they relieved him of that and then prosecuted.

Mr. **Guarini**. Have you sent diplomats to join then?

Mr. **Maloney**. Oh, yes, sir.

Mr. **Guarini**. What country is the greatest violator, from your experience? Are there any groups?

Mr. **Rose**. Excuse me. There really have been isolated incidences and you can't say any one country. Individual diplomats doing individual things having no relation to their status as a diplomat or representing their country.

Mr. **Guarini**. Thank you.

What is the track record of aliens?

Mr. **Maloney**. Well, most of your couriers are aliens. Most of your mules, as we call them, whether they are from South America with cocaine or whether they are from Nigeria with heroin, they are all aliens and they are immediately remanded, tried, jailed, and after their jail term returned, because we think it is important that they be imprisoned here because otherwise they will go back and tell them it is just an airplane ride.

Mr. **Guarini**. How do you follow up with them? Do you put them into your computer system?

Mr. **Maloney**. The alien, the courier?

Mr. **Guarini**. Yes.

Mr. **Maloney**. Yes, of course. Any case that is prosecuted by DEA or the FBI or Customs, whatever.

Mr. **Guarini**. And you follow them through and they're denied entry next time and——

Mr. **Maloney**. Oh, of course. Any conviction, even a misdemeanor for narcotics, prohibits you from coming back into this country.

Mr. **Guarini**. Do you follow any cases to see that the countries they are sent back to are prosecuting?

Mr. **Maloney**. No, we prosecute them here.

Mr. **Guarini**. And we send them into our jails?

Mr. **Maloney**. We send them into our jail system even though you could make an argument to send them back to the host country, but the message would get back that this is the way to pick up some dollars that come over here and just get turned around and sent back. So we imprison them. Although there is some thought being explored in certain countries that if we could get the proper cooperation and put them back on the airplane and make sure they're incarcerated in their home country, it would relieve us of a lot of burden and I think the time they would put in the prison over there would be a lot tougher.

Mr. **Guarini**. Are there many requests for extradition?

Mr. **Maloney**. Not too many, sir, no.

Mr. **Sensenbrenner**. I have one question: Of the aliens who are picked up for smuggling here, do you have any statistics on whether they had legitimate passports and visas or whether they were using a false passport?

Mr. **Maloney**. I don't have statistics. Most of them have legitimate visas or passports because they don't want to be stopped for that reason when they're smuggling drugs.

Mr. **Sensenbrenner**. Is there any coordination between law enforcement here in the United States and the State Department officials who issue visas in terms of the visa application review process, profiles of who might be a smuggler?

Mr. **Maloney**. Well, that is handled, again, on the enforcement level, sir; it is more properly addressed to those witnesses.

Mr. **Sensenbrenner**. I thank you, gentlemen.

Mr. **Johnson**. I would like the Committee to consider something that I have been suggesting for a number of years. What we have, we have some illegal aliens who come to the United States, who deal in drugs, who send their monies back to their host country, maybe they will get arrested, they'll get out on bail, they will flee. Now, all of their money is in their home country and when we try to extradite that defendant back to the United States, we cannot do it because very few countries will extradite their nationals to the United States for prosecution. They don't prosecute them, we can't prosecute them and they are living off the benefits of the illegal drug trafficking. I think that somewhere along the line we should have some sort of treaty where we can extradite them or even that country, the host country, seize these funds that were obtained illegally in the United States or wherever they were.

Mr. **Guarini**. They can certainly make the crime pay by making millions of dollars before they are caught and spending a few years in an American prison and then going back home and becoming an entrepreneur, I would imagine.

Mr. **Johnson**. Right.

Mr. **Guarini**. Just let me ask you: Is there, of these groups, patterns where they are operating only in regard to narcotics groups—and I am talking about the Pakistanians, the Indians, the Taiwanians, the Koreans, the Chinese—are they only in narcotics or are they spreading out into other interests?

Mr. **Baird**. Congressman, I think so far, most of the groups that we have seen, are just involved in narcotics. That is the way the Mafia started during prohibition too, if I can go back to that. They will expand if we don't spend more and stop them to a greater extent than we have previously.

Mr. **Maloney**. We have seen intelligence reports. The Israeli groups and the Chinese groups are using narcotics' monies for other enterprises such as loan sharking and traditional organized crime type of work—prostitution, and so forth; the same pattern is there from these other ethnic groups.

Mr. **Guarini**. Lastly, is it from the source to the streets that the same nationality and ethnic group would be by-passing the middleman and have their total set up where they would deal through their own people all the way to the purchase on the street?

Mr. **Maloney**. Depends on the ethnic group. In the Chinese case, they can go all the way to the street because they have long time Chinese criminal organizations in various cities around this country.

In the case of the Israelis, they have gone through either a traditional organized crime wholesaler or Hispanic groups, et cetera, to get the stuff to the street.

Mr. **Guarini**. Thank you.

Mr. **Rangel**. Mr. Traficant.

Mr. **Traficant**. Just briefly, would any of you support legislation that would apply capital punishment, the death penalty, to large drug smugglers, ten kilograms or more, or for, in fact, any drug transaction killing a law enforcement officer?

Mr. **Rangel**. Mr. Baird.

Mr. **Baird**. Congressman, I think we have just recently, in October of 1986, gotten access to some increased penalties that we never had before. I think the thing to do, on the penalty side, is to see if those work for a while before going further. That is certainly one part of the drug problem, but not all of it.

Mr. **Maloney**. Being an opponent of capital punishment for certain areas of crime, I would shy away from capital punishment for a homicide, and I would have a problem philosophically if you are talking about smuggling narcotics. I think as a practical problem you may not get it through the Congress and I think as a practical problem the courts are not disposed to get this, not even on espionage cases.

Mr. **Rangel**. Mr. Johnson.

Mr. **Johnson**. I think the problem goes back again to commitment. You can have a capital punishment statute on the books, but if there is not that commitment to enforce the drug laws or address the drug problem, penalties will not solve it.

Mr. **Rangel**. This Committee would like to commend this panel, not just for your testimony and your insight, but you are indeed the front-line troops. Mr. Sensenbrenner and I will be taking the concerns that you have about your resources, as it relates specifically to the U.S. Attorney's Office to the Judicial Committee and the Appropriations Committee, and the staff will immediately get involved in the forfeiture problems that you are being faced with with the federal government.

Mr. Gilman asked whether or not you meet, and we are pleased to see the depth of the cooperation that all of the law enforcement agencies are having. But I might suggest to you that there should come a time soon that all of law enforcement ought to get together, because no matter how effective and efficient the cooperation and your offices are, it is abundantly clear that we are not putting a dent in this problem. Whether we are talking about education, whether we are talking about production, whether we are talking about how many people we are putting in jail, whether we are talking about the spread of AIDS through I.V. drug use or the booming increase in the abuse of cocaine. It seems to me that we need your expertise in an informal manner. Not with the mikes, not with the press and not with the hearings. But we need some help. We have to come up with some better ideas, but for this link, that is essential; that is from the prosecutor's point of view you have come a long way in terms of the cooperation that you have with the agencies and departments and we will take your message to Washington. We commend you for your effort.

Mr. **Johnson**. Thank you.

Mr. **Baird**. Thank you.

Mr. **Maloney**. Thank you.

Mr. **Rangel**. We want to advise the press and the Committee that we hope to conclude the hearing of testimony by 12:45. At that time we will be checking personally the process and techniques of the airport and Customs will be helping us and we tell that to the press.

For our law enforcement panel, we will have Robert Stutman, who is in charge of the New York DEA field office. He has been doing a tremendous job in this area and New York is lucky to have him back. Art Stiffel, Special Agent-In-Charge for Customs of the JFK Airport. Thomas Sheer, who is the Director-In-Charge of the New York Field Office for the Federal Bureau of Investigation.

It's good to see you again, Tom.

Walter Connery, Assistant District Director for the New York Office on Immigration and Naturalization. And we will be interested in hearing how the new law may be involved in the increase in narcotics trafficking. And the Port Authority that we want to thank for the cooperation that they have given us in support of this hearing, Henry DeGeneste, the Superintendent of Police and the Deputy Director of the Public Safety Department.

May I advise the witnesses that by unanimous consent of the Committee, your entire statements will be placed in full in the record. And as you can see from the give and take that we have had with the last panel, we would really welcome to give the members time to ask questions, so we hope that we would consider highlighting your testimony, and by unanimous consent it will appear in the record in full.

Suppose we first hear from Bob Stutman.

TESTIMONY OF ROBERT M. STUTMAN, NEW YORK FIELD DIVISION, DRUG ENFORCEMENT ADMINISTRATION, U.S. DEPARTMENT OF JUSTICE

Mr. STUTMAN. Thank you, Mr. Chairman. As always it is good to see you and Mr. Gilman and the rest of the members of the Committee, having been at Congressional affairs when this Committee was started 11 years ago.

Let me very quickly, if I could, summarize the issues of the changing emerging groups in New York, specifically as it involves heroin: The first point that has to be made, Mr. Chairman, is although heroin continues to be a major, major problem in New York, it in my opinion is clearly a leveling off problem and, in fact, there is some evidence to show it may be a decreasing problem as far as numbers of users go. That is not necessarily good news, because I would point out in my opinion also that the new young users of drugs who would normally be going into heroin are, in fact, going into cocaine, specifically crack.

Let me share two numbers with you if I could, Mr. Chairman, to point that out. According to Dawn Reports, in 1982 there were approximately 5,000 Heroin Emergency Room episodes in the Greater New York area. 1986, there were 3,181. So Dawn is at least leveling off and probably going down. But a figure to me, Mr. Chairman, that means even more is the average age of heroin addicts.

In 1977, 31 percent of the heroin addicts in the Greater New York area, which is about 200 to 250,000 were over age 30. So less than one-third were over age 30. In 1985, 77 percent are over age 30. So what it appears we have happening is clearly an aging group of addicts every year in New York who are using as much or more heroin, but it does not appear that the new traditional young addict is, in fact, becoming addicted to heroin as much, probably becoming addicted to cocaine and crack, specifically.

The groups that are controlling heroin have changed. There has been an amazing metamorphosis over the past two to three years as far as who is controlling heroin in New York. As you all know, when you talked about pre-1983–84, if you talked heroin on the East Coast, you talked about traditional organized crime. They controlled the vast majority of the heroin available in New York and, therefore, in the East Coast. That has changed. I think the reasons it has changed are numerous, but one reason it clearly has changed has been the law enforcement that has taken place in New York. Cases made by the FBI, the New York City Police, the State Police, DEA and the prosecutors' offices, against traditional organized criminal groups we believe have made a difference. They are in some disarray and we believe they are not quite as involved in the heroin trafficking as they used to be. That is the smuggling in to the United States, directly into New York. Unfortunately, however, crime loves a vacuum, and the vacuum is being filled. The vacuum appears to be being filled by these newly emerging groups that you heard Andy Maloney and Sterling Johnson and Bruce Baird talking about. There are a number of them. Again, let me share a couple of numbers with you to point out the issue, if I could.

In 1983, 97 percent of the heroin available on the streets of New York—these are based on monitor buys, which are street buys—97 percent was Southwest Asian heroin from Iran, Pakistan, and Afghanistan. The vast majority of that was controlled by traditional organized crime, not all of it, but the majority of it. Three percent was Southeast Asian. In 1986, 40 percent was Southeast Asia and 60 percent was Southwest Asia. Of the 60 percent Southeast Asia figure, traditional organized crime controls a piece of it, but not the only piece. We also have Indians, Pakistanis, Ghanians, and Nigerians, as you heard from the panel before. So we have 60 percent as the predominant number, but only a percentage of which is controlled by traditional organized crime. The 40 percent Southeast Asian is controlled almost exclusively by Chinese Nationals.

So the change we have seen in New York, Mr. Chairman, in an amazingly quick period of time, is the predominance of Chinese groups now controlling the largest single amount of heroin available in New York.

Mr. RANGEL. Are you talking about people from the Republic—

Mr. STUTMAN. I am talking about people of Chinese ethnic background from myriad countries. They could be carrying Thai passports, Hong Kong passports, Malaysian passports, but they are Chinese Nationals.

That is the major change that we have seen and it has been radical and quick.

Mr. GUARINI. Are you talking about Taiwanians?

Mr. STUTMAN. It could be Taiwanians also.

Mr. RANGEL. But Chinese——

Mr. STUTMAN. What I am saying is they could be from any country, but they are ethnic Chinese. Thais are a good example. A significant population of the Thai population are Chinese.

Mr. GILMAN. If the gentleman will yield, your figures don't show any Mexican heroin.

Mr. STUTMAN. Mexican heroin is basically not a problem in New York. We see very, very little Mexican heroin. It is an aberration when we make a Mexican seizure. I personally cannot think of the last Mexican seizure we have made. It is almost nonexistent.

Mr. GILMAN. And yet the national figures show that about one-third of the heroin coming in is of Mexican origin.

Mr. STUTMAN. That is because it is going up through the Mexican border to Los Angeles and Chicago and remaining in the Midwest and the West. New York is the distribution point, the hub of the world for the East Coast, and ours comes from Southwest and Southwest Asia. Although a significant percentage of the heroin we are seeing is coming from Southeast Asia into the West Coast and then to New York and then being distributed out of New York.

Mr. RANGEL. How does Israel fit into all this?

Mr. STUTMAN. You jumped one stop ahead of me, Mr. Chairman.

Mr. RANGEL. Ben asked me to ask the question.

Mr. STUTMAN. The Israelis have continued to have a growing involvement in heroin and cocaine traffic in New York. Now, I think if we are looking at the issue of who is going to be controlling drug traffic, not today but six months, a year, two years from now, which I think all of us should be looking at, the real question you have to look at is what groups have the ties between where the heroin comes from and how the heroin gets distributed, because that is the real bottom line of the matter. If a group controls the area where the heroin comes from, e.g., Europe or Southwest Asia, and also has ties in this country, in the distribution link, then you have a group that has a ready made link for heroin trafficking. The Indians traditionally do not. The Pakistanis traditionally do not. The Nigerians traditionally do not and the Ghanians traditionally do not. Although they have ties in Southwest Asia, when they come over here the problem that they have is distributing the heroin. That is why although we have lots of Indian, Pakistani, Nigerian couriers, we are not seeing major organizations, generally, of those ethnic backgrounds. They have problems knowing what to do with the heroin.

Clearly the Chinese have a tremendous tie between Southeast Asia through Canada through the United States and here in New York, and they are utilizing those ties not only to bring the heroin in, but to distribute that heroin in some cases right down to street level distributors.

The other group of criminals that we are looking at right now that if you were to ask me has the potential to become involved in that manner are the Israelis. The Israelis clearly also have the ties from Southwest Asia, the Middle East to criminal groups here in New York. So as far as if you look at the entire pattern of where it comes from to where it is grown, those two groups clearly have the best ties. Now, the Chinese are well ahead right now of any of the emerging groups, but I would proffer to you, Mr. Chairman, that the Israelis also have those ties and that could develop.

Mr. GUARINI. Why do they have those ties?

Mr. STUTMAN. Because they have—and we are talking about, and I should make it very clear whether we are talking about Chinese, Israelis or any other nationality. we are talking about an extremely small group of people in a large ethnic heritage and we have to be very careful that we don't——

Mr. GUARINI. Okay, but why do they have those ties? What is unique about them?

Mr. STUTMAN. They have been involved—they are generally, number one, criminals who were criminals in their home country before they immigrated to the United States. So they had those criminal ties in their home countries, whether it be Israel, Lebanon, or Europe, and they simply carried those ties over here and they went into an ethnic community that also had criminal ties ready made through generally other types of crimes. So they simply switched their criminal ties to drugs, and that is the type of thing also with the Chinese.

What can we do about it? Mr. Chairman, you and Mr. Gilman and the other members were very right, looking at the issue of stopping drugs at the border is at best complex, some would say almost impossible. I have used the analogy many times: If you build a 13 foot wall around the United States the dope peddlers would realize all you need is a 14 foot ladder to get over a 13 foot wall. Andy Maloney told you that 27 million people come through this airport. The amount of cargo is fantastic. We truly believe that if in fact as far as law enforcement goes we are going to make a difference—and I think with some drugs we have—if we are going to make a difference, that difference comes about by going after organizations as a whole and then having a meaningful deterrent to those organizations.

You know better than I do, Mr. Rangel, that drug trafficking is a white collar crime. It is not a crime of passion. It is a crime that you try to make money from. And until we make the potential deterrent greater than the potential profit, than the crime is going to go on and that is generally not what is happening right now. The biggest cases that I have been involved with in my 23 years with DEA and the biggest cases very often that we have seen in New York, whether by DEA, the FBI or Customs or any other agency, have not necessarily been the cases where you get the biggest seizures. The amount of powder on the table, as far as I am concerned, is really inconsequential. It is when you are able to dismantle entire organizations, and I think all of us, including my friend Art Stiffel from U.S. Customs would agree, that in fact those of us in New York who are involved with drug enforcement look upon seizures as only an overt act in an overall conspiracy. And that is the way a seizure of drugs must be looked upon. We should not look at seizures of drugs for seizures sakes because you know that generally the seizures at an airport or somewhere else involve "mules" or inconsequential people within the organization, and you can arrest 10,000 of them and you won't stop the traffic. When that seizure is made it must be fully investigated and you must go after the organization as a whole. That is what we have been trying to do in New York. I think we have been successful with some drugs and certainly more successes in other drugs.

The final thing I would say to you, Mr. Chairman, and you hit on it and it is probably strange coming from a law enforcement officer because you have said that before, but I would tell you that no matter how good we get—and I say "we," those of us who carry a badge at this table—no matter how good we get, we will never stop drug availability completely in this country. I honestly believe that. We will never close our borders to the point that drugs can't come in because I think that is one of the prices we pay for a free society. But I would also tell you, Mr. Chairman, and I honestly believe this, if we became by some miracle so successful that we stopped all the drugs coming into this country, the main problem wouldn't be solved because last year more people died from an overdose of pharmaceuticals than heroin or cocaine.

So the true answer to the drug problem in this country is changing the demand, working with those kids at an age that is early enough to make a difference so that when they do make their first choice at 11 and 12, we have prepared them to make that decision as we are not doing right now.

Thank you, sir.

Mr. Rangel. Thank you, Mr. Stutman.

[Mr. Stutman's prepared statement appears on p. 83.]

Mr. Rangel. Mr. Stiffel, the U.S. Customs.

TESTIMONY OF ARTHUR K. STIFFEL, SPECIAL AGENT IN CHARGE, U.S. CUSTOMS

Mr. Stiffel. Yes, Mr. Rangel, thank you to you and the Committee for allowing me to appear.

Mr. **Rangel**. Please speak up, we are having trouble with the mikes.

Mr. **Stiffel**. Mr. Chairman, I would like to thank you and the Committee for allowing me to appear this morning.

Since our prepared statement has been put into the record, if it pleases the Committee I will defer on any statement and allow the time later for any pertinent questions you deem valid.

Mr. **Rangel**. No objection.

[Mr. Stiffel's prepared statement appears on p. 96.]

Mr. **Rangel**. Mr. Sheer, Federal Bureau of Investigation.

TESTIMONY OF THOMAS SHEER, ASSISTANT DIRECTOR, U.S. DEPARTMENT OF JUSTICE, FEDERAL BUREAU OF INVESTIGATION

Mr. **Sheer**. Thank you, Mr. Chairman. I too am honored to appear before you and your Committee today. I too will dispense with prepared remarks and defer to questioning, with one exception. I would like to take just a moment to compliment Mr. Stutman's earlier remarks and describe a case in some detail that explains what Mr. Stutman was talking about on a theoretical level.

That's a case where we worked jointly together, in 1985, and it is a classic Oriental-Asian organized crime. It is a group that we worked starting in April 1985. It is a triad. It is international in scope. It is based in Taiwan and it is called the United Bamboo. Like all cases in New York City, it was a joint investigation. As a matter of fact, earlier testimony centered on whether we in New York in the law enforcement community work together or not and I gave it some thought while I was waiting to testify, and I honestly can't remember a narcotics case that the FBI has worked in New York since we gained concurrent jurisdiction with the DEA that we work by ourselves. I can't remember one case. Every case that we work we work jointly and we work with whatever agency can help us or whoever we can help best.

About the United Bamboo case: It is a triad. It is some 10,000 members strong. It is worldwide. It is present in four continents. In April 1985 an approach was made by a United Bamboo member to a source of the New York City Police Department. And the effort was obviously an effort to bring heroin into New York City through the United Bamboo organization and expand that organization in New York City. Heretofore it had not appeared in New York City. The FBI worked with the DEA, and the New York City Police Department, penetrated that organization, and ultimately prosecuted successfully the leadership of United Bamboo in New York City—excuse me, the national leadership—for their attempt to bring 300 kilos of heroin into New York City. We stopped five murders. In other words the undercover operators took the contract for five murders and we successfully prosecuted the hierarchy of the United Bamboo. Now that is a classic Oriental organized crime case.

I would defer any further comments to the question and answer period.

Thank you.

Mr. **Rangel**. Thank you, Mr. Sheer.

[Mr. Sheer's prepared statement appears on p. 104.]

Mr. Rangel. Mr. Connery, Assistant District Director for Investigations, New York.

TESTIMONY OF THE COMMISSIONER, PRESENTED BY WALTER CONNERY, ASSISTANT DISTRICT DIRECTOR FOR INVESTIGATIONS, NEW YORK

Mr. Connery. Mr. Chairman, Members of the Committee, I am pleased to appear here this morning. I have a few things I would like to add on to my remarks and I would like to say it is a pleasure appearing before you, Chairman Rangel, and this Committee. Most of my law enforcement career was spent in the New York City Police Department. However, being in the Immigration Service for the last seven years, I see this problem from two perspectives: One as a detective over 25 years ago where I very rarely arrested an alien, because there were not that many of them here. But they are here now and unfortunately a lot of them are committing crimes involving the sale of narcotics and it has become very difficult to deport them because there are so many of them and so few of us on the immigration side. Presently in the New York District Office we have an availability of 77 agents, and that is down from 240 several years ago.

It is annoying to me as a law enforcement officer to see problems with criminal aliens selling narcotics and because of laws that were made 30 years ago, to deal with aliens as a group, aliens as a total class, the poor wetback that walks across the Rio Grande to make a few dollars, is, in some areas, dealt with the same as the alien that sells drugs to children. I think it is annoying to see a situation like that.

I have proposed some legislation that was forwarded to the Senate Judiciary Committee in bill form, and I think your Committee was interested in it too. One of the anomalies I found in the law, because these laws are so old, was a failure to distinguish between ordinary aliens and dangerous peddlers of death. Any alien that is deported, if you finally can get him out, who comes back illegally, is subjected to the same penalty of two years. Thus, the alien that walks across the Rio Grande for a better life and the alien that sells drugs to children are treated the same when they illegally re-enter. The bill sponsored by Senator Chiles—that's S-793, I believe—distinguishes by saying that we have three classes of aliens: The ordinary alien who is to be subjected to the two-year penalty if he returns after he is deported; the alien who commits a felony, who will be subject to a five-year penalty, if he attempts to re-enter; and the alien that sells drugs or commits crimes of violence, such as murder, robbery, rape, and kidnapping, who will be subject to a minimum penalty of 15 years if he attempts to re-enter. That has two things, I think, that goes for it, gentlemen: It will not only deter re-entry, but will also give judges a little more flexibility when they sentence people, since if they do sentence certain criminal aliens to a sentence of probation, they will hopefully not re-enter because they would be subjected to a 15-year penalty.

The Immigration Service also has some unique authorities that are available to assist other law enforcement agents. They have the authority to arrest people administratively. They have extensive records because these criminals, when they come here—and they do, in unfortunately large numbers, either with forged documents or by other illegal means—often prepare lots of applications for us. They tell the truth about all their relatives because they are hoping to get them in, too. All these documents are available for other law enforcement agencies, and we have been working with them.

The other interesting aspect occurred right here at this airport and also at LaGuardia. We formed a task force with DEA and the Port Authority Police on a small project called Project Intercept that began in January. Using the authority of Immigration officers who can stop someone because they reasonably suspect they are an alien, not committing a crime, just an alien, the DEA agents using their authority to stop someone that they could reasonably suspect as being engaged in the potential importation of narcotics; the Port Authority Police using their authority to stop someone they reasonably suspect committing a crime—using these triple authorities together on a very small task force, so far, just in six months of this year, they have seized a value of about $21 million worth of narcotics and almost a million dollars in cash. What was really interesting is we were only surveilling domestic flights. What this group of aliens has done is to transport narcotics and cash from other areas of the country into New York on domestic flights. Why not? Who looks at somebody getting off a domestic flight? They don't go through Customs, they just walk right out the airport door.

God knows how long they have been doing this, but it is a very interesting thing that seems to be developing a pattern or a trend. Screening here at this airport is becoming more intense, so they have adjusted to it. Why bother running the risk of going through a division of inspectors here and an extensive screening program when you come into LaGuardia and walk right out the door, and they are doing it.

Mr. RANGEL. Come into LaGuardia from where?

Mr. CONNERY. They come into LaGuardia from L.A. and from the South United States, from El Paso and L.A. But they also come up from Miami.

Mr. RANGEL. So anyone can use domestic flights. I am missing your point. Anyone can use domestic flights as a point of entry where whatever we have at John F. Kennedy is supposed to be in the other points of entry?

Mr. CONNERY. Right, but what they will do is they will mule the drugs over on the border down south and then they will transport them in small amounts, body carrying amounts, up here. Also, in reverse, they use couriers in reverse to carry cash back to other areas of the country. So that these couriers are all aliens and they are used in both directions. In other words, to transport money internally and also to bring in a small amount of drugs from other areas of the country.

Thank you very much.

[Mr. Connery's prepared statement appears on p. 112.]

Mr. RANGEL. Henry DeGeneste, let me thank you, particularly single you out for the support that you have given us in pulling together this very informative and important hearing.

TESTIMONY OF HENRY DeGENESTE, SUPERINTENDENT OF POLICE FOR THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY

Mr. DEGENESTE. It is my pleasure, Mr. Chairman of the Committee. In fact, it is my pleasure that you have chosen one of our airports to have your Committee hearings and I think it speaks to the success, although small, that we have had at Kennedy Airport, and again I will defer my written statement to the Committee to have placed in the record.

It was mentioned that about half of the heroin that is seized in the United States seems to be seized at JFK Airport, and perhaps the implication there is that there is a lot of heroin that is coming into JFK Airport and nowhere else in the United States. I submit that the reason we seize half of it is because we do a better job and we do a much better job I feel because of the cooperation of all the agencies that you are speaking to today.

You also asked a question that I don't think the prosecutors were able to answer, and that was: How much drugs that are seized go to the federal attorneys and how much go locally? We estimate that as the local police agency here at the airport, we take to the Queens District Attorney's Office for State prosecution about 35 to 40 percent of the drugs seized and the rest go to the federal attorney.

I would just like to make another point about this war on drugs and the fight that the Committee is about and especially the Chairman. I just returned from a national law enforcement executives conference out in Oakland, California and Dr. Harry Edwards was there who is on the staff at Berkley and he was speaking to us about what drugs are doing to our kids. I think the audience was startled by the statistics that he was pointing out because it is killing our kids, as we all know. If we don't do some things to do something about the demand, but more importantly to do something about stopping it coming into our country, we are going to lose generations of kids. I think up to this point in time, probably only lip service has been paid by the federal authorities in this area, and we in local law enforcement, as Mr. Stutman has said, and all of us have said at this table, we cannot do it alone. We can only put our finger into the dike and that is all we will ever be able to do.

Thank you.

[Mr. DeGeneste's prepared statement appears on p. 151.]

Mr. RANGEL. Well, you have said a mouthful. If someone just takes a look at the kids being born addicted, the kids that are born with AIDS, the spread of AIDS in our jails, the increase in crime that is relating to narcotics abuse, the kids without skills, without training that just fester on addiction and the culture of addiction, which even with proper treatment there is still a culture there that all they know is just the interchange with drug addicts that it is very easy for many of us to see this as a national threat.

First of all, I want to commend all of you for the cooperation that you have extended. Twenty years ago we couldn't say this as the City police was fighting the FBI and the FBI was fighting the Federal Bureau of Narcotics and Customs was fighting the Border Patrol, but at least hard times has brought us together.

Let me ask this of the FBI and the DEA: Forgetting the cases that come directly from ports of entry, could you give me a guesstimate of how many of your cases, your arrests actually involve couriers as opposed to local traffickers?

Mr. **Stutman**. Which percentage of our cases do we actually arrest a courier?

Mr. **Sheer**. On behalf of the FBI, virtually none.

Mr. **Stutman**. For us, I would guess, probably 25 percent is a courier actually involved, and that is a guess, Mr. Chairman.

Mr. **Rangel**. No, I just asked for a guess.

You see if what Andy Maloney says is true, that the biggest problem that we are facing is in the large cargo containers, and what we are doing is trying to create a deterrent in terms of the profiles, the intelligent gathering as to people that come across. And whether we are dealing with Chinese, Nigerians or Israelis, it seems to me, not as an expert, that once you decide who you are targeting, that is where most of the people you get would be arrested, depending on your profile, as opposed to what would happen if you are making a case in the street.

You make a case in the street, your agent follows the trail. What I am asking is after you have identified your arrest and accepting the fact that we don't have the good old days where you had organized crime where if you got one person and he was willing or forced to cooperate, that you could follow the trail from Marseilles to Turkey and at least you knew what you were dealing with. But accepting the fact that you have a vacuum, that you have large amounts of monies there, you find people prepared to take the risk, and now you find that you are arresting them from these developing countries as opposed to traditional drug trafficking areas, have you been able to find any thread at all, as it relates to the person arrested and the production and the trans-shipment?

Mr. **Sheer**. On behalf of the FBI, Congressman, the answer to your question, in a nutshell, is yes. We have tried very consistently to adhere to a philosophy that Mr. Stutman mentioned earlier, i.e., identify and try to prosecute successfully those criminal cartels who import and distribute narcotics in the United States of America, in our case New York City. We try to concentrate on those leaders, the leadership of those cartels. We try to trace the drug to its source, but the concentration, at least from the FBI's investigative philosophy is to try to concentrate on the leadership of the importation and distribution cartels. I think we remain fairly consistent with our philosophy.

A powder on the table for us is a luxury. It is nice to have and it is very dramatic, but it is a luxury. What we try to do is use the things we have done in the traditional organized crime effort—i.e., long term labor intensive investigations that probably feature more than anything else a use of wire taps and physical surveillance, sources and cooperative witnesses. That has been our strength, I believe.

Mr. **Stutman**. Just one quick point: We, in New York, and I know you have heard it a hundred times and I think you know it being a New Yorker. We truly do have a unique situation here, Mr. Chairman.

Information daily, hourly, gets transferred between the New York City Police, DEA, FBI, Customs, et cetera. We have an intelligence division that is housed in my office. It happens to be housed there. It is made up of State Police, City Police, DEA Agents, FBI Agents, Customs Agents, you name it, and they all have access to it and our computers and we have access to the intelligence of the home agency. Therefore, we are able to put all of that intelligence together. If any system works, as far as law enforcement goes, the system in New York is working.

Mr. RANGEL. Okay, I think the answer to my question, this Committee is scheduled for a briefing in Washington by DEA on the entire international situation, and what I was trying to do is to work backwards in terms of the people who you have arrested to see whether you can take us to the producing or the trans-shipment country.

Mr. STUTMAN. In the Chinese ethnic group the answer is yes.

Mr. RANGEL. But I advised the members here that we probably have to reschedule that Tuesday morning meeting because of legislation, but it is still a priority with us.

Mr. DEGENESTE. I wanted to make a point when we spoke about the couriers about the cargo again, because I think that is an area that we—and it has been spoken on before—that we really don't know. To give you an example though about the cargo which is just shipped through this airport, 1.4 million tons of cargo was shipped through in 1986. And I have yet to see any talk on the federal level about developing, perhaps, some sort of scientific detection systems. I am not a scientist but I have read about things being developed through R and D systems whereby we might be able, through the U.S. Customs Service to detect drugs that are in cargo shipments because, again, I think we only tip the iceberg when we get the couriers.

Mr. GILMAN. Would the gentleman yield?

Do we do any spot checking now of cargo shipments?

Mr. DEGENESTE. I will defer to Art.

Mr. STIFFEL. Yes, sir, we do.

Mr. GILMAN. In JFK?

Mr. STIFFEL. Yes, and we have some of these new techniques that Mr. DeGeneste has spoken of. They are in a formulation stage right now. We are using computer profiling. We are now completely automating our cargo shipments so that what used to be done through intensive manpower by screening paperwork is done by a computer. This is going to allow us to pick out a percentage of somewhere, three to five percent, of high profile cargo and to use that figure and then go out and have those freed up people go out and search those.

Mr. GILMAN. Are you now utilizing that system?

Mr. STIFFEL. Yes, we have just started.

Mr. GILMAN. Has it been successful?

Mr. STIFFEL. It has been very successful in that of that three percent we are getting some good seizures. The one seizure of heroin which amounted to 25 percent of the total seized this year came as a result of that profile——

Mr. GILMAN. From where?

Mr. STIFFEL. It came from Thailand, sir.

Mr. **Gilman**. Are you using dogs?

Mr. **Stiffel**. Yes, we have 20 dogs in the area; they are also quite successful.

The problem is with containerized shipments and large bulk shipments, you can't get the dog to the back of the container. So while it is a nice theory to just open the dog and let the dog smell at the end of the container, if the drugs have been secreted behind other materials in the container in the back, the chances are that the dog will not react to that particular thing. So what we have had to do is narrow down what we are doing, completely strip the containers and then allow the dogs to screen the cargo as it spread out.

But that system has been working and it is going to be continued to be developed. It is one of the major thrusts of the company.

Mr. **Gilman**. How many containers are we talking about coming through this port?

Mr. **Stiffel**. Well, we have thousands a day here and 3800 a day coming into Port Newark.

Mr. **Guarini**. Twenty dogs don't go very far, do they?

Mr. **Stiffel**. No, they don't. And it is a long term thing to train a dog. There are certain health problems with the canine units in keeping them up to speed. The handlers have to have a certain amount of time, we call it down time, to keep the dog trained. But they are looking toward more utilization of these and there will be more hirings as we go along.

Mr. **Gilman**. How long does it take you to strip down a container and unload it and load it?

Mr. **Stiffel**. It is probably a four or five-hour operation, using forklifts and heavy equipment.

Mr. **Guarini**. Would the smugglers prefer JFK because of its high volume of use, that the chance of detection is less because of the traffic and the containers that would back up?

Mr. **Stiffel**. We have two schools of thought: If you have a large shipment of, say, marijuana or a large shipment of hashish you are better off at Port Newark because there are so many containers that the chances of that particular container being searched, you are better off. Here at Kennedy, if you deal with heroin or cocaine, where you can conceal it in a smaller area, you are better off with air shipments because we have a quicker processing time. We have to get those out to the industry on a quicker time that we do in Port Newark.

Mr. **Rangel**. Committee members, please feel free to follow through in this line of questioning. I think it might be more informative to do it this way than formal.

Mr. **Traficant**. Would the Gentleman yield?

Along that line, let us face it, the criminal element looks for the level of the water and with the hawk sitting here so strong in New York City, you would think that they would start looking for other ports of entries or ways to beat our radar traps and not come into ports of entries, with charters, coming in and overriding that radar system, coming into places like Kentucky, distributing up the network along to Chicago. So if we are seeing this type of a problem here, I think it is indicative of the fact that these types of sources are smart enough to read that and start to override this system.

What networking is being done, we should attempt to have interface and interchange with the types of information you are getting, to other ports of entries and other strategic sites within this country, to share information and be a step ahead on that type of overriding entry.

Mr. **Sheer**. There are others here who can answer this, but I think it is important for me to make a comment. Only because I got back to New York City this morning around 2:00 a.m. I spent two days at DEA's EPIC Center in El Paso, Texas, and the issues that you just talked about, Congressman, are being addressed incredibly well there. There is an international plotting system—now EPIC, I am sure you are all aware, is headed by DEA and joined by the law enforcement agencies known to man. It is truly a cooperative effort in the spirit that I think we talk about today.

I will just give you one example, Congressman. The interdiction process that takes place for couriers of cocaine from Miami to New York is probably most actively pursued in New Jersey, with the New Jersey State Police. They use all the systems available to law enforcement today and they have been able to predict through their profile system a tremendous success rate in terms of couriers coming from Miami to New York City with cocaine.

EPIC is plotting the couriers attempts to thwart the New Jersey State Police by rerouting their normal process from Miami to New York through various highways and side roads, in fact in Northeastern Pennsylvania. But EPIC is incredibly on top of it, and they are plotting these counter-routes or the alternative routes almost as quickly as the couriers are changing their routes to New York. So in that limited sense, I think law enforcement is responding.

If somebody else wants to add something—but, I just saw it last night. It is very dramatic.

Mr. **Traficant**. One other question in line with that is we are talking about these respective countries. It doesn't necessarily mean that they are the origination of the transfer, that there are other sites and there have become other different types of networks; one long traditionally has been Japan. From what you see, is Japan becoming the source for transfer of anything?

Mr. **Stutman**. No, we have seen very little, not in Kennedy. I was speaking, certainly not for New York. I am familiar generally with the national situation.

Mr. **Traficant**. Okay, that is what I wanted to know, if you have seen anything here.

Mr. **Stutman**. Very little.

Mr. **Gilman**. Gentlemen, and I address this to the whole panel: What do you see as the need for resources, or what can our Committee do to help you in your respective efforts, and let's go right down the line.

Mr. Stiffel?

Mr. **Stiffel**. Well, the Committee has already done significant things.

Mr. **Gilman**. Please use the mike.

Mr. **Stiffel**. Yes.

We have increased our inspectional force by 25 positions in the last year. Our agents have gone from a little over 80 to 133 in the last year and a half, and that has been as a credit to your efforts and Senator D'Amato's efforts.

Mr. GILMAN. There was some talk earlier about some van, a need for a van or two, what is that about?

Mr. STIFFEL. Yes, I am glad you brought that up.

I was told by our Congressional liaison just a few moments ago that one of your Committees has just set aside, I believe, $600,000 for six of those vans. So that has already been addressed by the Congress.

Mr. GILMAN. It is taken care of?

Mr. STIFFEL. Yes.

Mr. GILMAN. No other needs then?

Mr. STIFFEL. Not at this point, sir.

Mr. GILMAN. Mr. DeGeneste.

Mr. DEGENESTE. From a local law enforcement perspective, I know we said earlier, but the redirecting of the money that we have seized in joint efforts with U.S.DEA and the other agencies, we have been able to seize about $3 million in the last 18 months, and I have yet to see one cent of it returned. And every time I speak to local law enforcement people, they say that it is tied up in Washington.

Mr. GILMAN. What is the delay in the distribution? I know you are an expert on the distribution of these funds. What is the delay in getting these funds out? [Laughter]

Mr. STUTMAN. If you want one word, bureaucracy.

Mr. GILMAN. Well, where do we point the finger?

Mr. STUTMAN. I think one has to look at Washington.

Mr. GILMAN. Where?

Mr. STUTMAN. The recommendations go through very quickly from the U.S. Attorney's Office and DEA in the field to Washington, and it is basically a paper problem at the Department of Justice.

Mr. GILMAN. Where in Justice?

Mr. STUTMAN. You would have to start out at the narcotics section, I am not sure exactly who.

It is strictly—it is not that the money doesn't want to get pumped out, it is strictly bureaucratic delay.

Mr. GILMAN. But we are talking about 18 months to two years.

Mr. STUTMAN. I am not sure it is generally that long, but it is clearly a year. It is clearly a year.

Mr. GILMAN. There shouldn't be a need for that. We certainly will take a look at that.

Do you have any needs in your office?

Mr. STUTMAN. No, other than the usual that all of us need, people, et cetera. The one biggest problem we have and I think all of us may have it if we are serious about emerging ethnic groups, is the ability to have translators, interpreters, people familiar with the culture, et cetera. We probably have—and I may be wrong—the largest single group of law enforcement officers devoted exclusively to Chinese investigations.

Mr. GILMAN. How many ethnic people do you have that have this language facility?

Mr. STUTMAN. Right now I have four agents who speak six dialects of Chinese and one other—we have about six agents who have

Oriental language capability, but it is more than just language, it is the culture, et cetera.

Mr. Gilman. Is the department recruiting people for this?

Mr. Stutman. We are absolutely trying our best, but I will also tell you, Mr. Gilman, that one of the problems we run into is we are competing with private industry. Private industry needs people with an ethnic background too, and it is very difficult because, as you know, the salaries cannot compete with IBM.

Mr. Traficant. Would the gentleman yield briefly?

These nationals come in here with a language barrier and they seem to be able to put together a program that can distribute pretty fast. What type of training program is going on for American nationals serving in your agencies so they can be bilingual and understand this process?

Mr. Stutman. All of our agents who go overseas, Mr. Traficant, know the language of the host country that they are going to. I think one of things we are going to have to do is start to do more of that certainly in the United States. But I have got to point out that learning Chinese is difficult to start out with, but then you throw in the different dialects you are dealing with and on top of that you throw in the colloquialisms of the street terms that are used and it is an extremely difficult job. We are looking, I would guess, at about two years for a person to become proficient enough to use them on a wider scale.

Mr. Guarini. But don't you have an extensive search in those particular communities to be able to hire as law enforcement officers people who already have the language?

Mr. Stutman. Constantly, constantly.

Mr. Guarini. But it is still a problem?

Mr. Stutman. It is a tremendous problem, certainly for DEA. I would be surprised if it is not a problem for all of the other agencies you have here. The bottom line is you are competing for dollars lots of times and we just cannot cut it.

Mr. Gilman. Mr. Sheer, needs for your agency?

Mr. Sheer. Yes, sir. I will again echo Bob's request. It is concentrated primarily on language abilities. We face the same problems as DEA and the other agencies do with the language abilities. And I will just expand on this.

Mr. Gilman. Is there some priority being given to this back in the home office?

Mr. Sheer. You mean in our headquarters, FBI headquarters?

Mr. Gilman. Yes.

Mr. Sheer. Yes.

Mr. Gilman. I would hope that's where the home office is. [Laughter.]

Mr. Sheer. In response to your question, yes. I will show you one example but I will show you the problems inherent in that.

At the beginning of our joint—and that is again all the efforts that produced ultimately the Pizza Connection Case——

Mr. Gilman. You did an outstanding job in that in organizing it.

Mr. Sheer. Collectively we will say thank you.

The point here is we started out in 1979, 1980 with very few FBI agents and DEA agents who were fluent in New York City in Italian, more specifically in Sicilian, in the dialects. We now have an adequate language capability in Sicilian and Italian in the New York office of the FBI. I am satisfied with what we have. I think we have 14 agents who speak fluently.

The power curve or the ability to identify the need, make the request, get the training done and get the people back in New York where it is needed, is a long, laborious process. For us it is two, two-and-a-half, three years before we can get a product back. This change, this influx, particularly in the Asian group that we are all faced with today, is current. It has only happened in the last year. We are dealing with problems of—I have, for example, have a dozen Asian American agents who speak either Mandarin or Cantonese, but we are dealing with various dialects that these agents cannot cope with. Now we cannot go out and recruit in the community because the first thing we face is when we try to recruit translators in the community, we are faced with first generation-second generation problems, and for the FBI, at least, we have to have that security clearance that is incredibly difficult when we are dealing with first generation people who either were born behind the Iron Curtain or in Europe and have most of their family still overseas.

Mr. RANGEL. Where would you start to recruit a Nigerian for the FBI?

Mr. GILMAN. In Nigeria?

Mr. SHEER. No, sir. For the FBI, I would start recruiting in the Nigerian immigrant communities in the United States of America. And I don't think there is any other place.

Mr. RANGEL. And there is an effort?

Mr. SHEER. Yes, sir there is.

Mr. RANGEL. Because I don't even see the effort in the minority community that has been here for 200 years, so, you know——

Mr. SHEER. Congressman, with all due respect, I take strong exception to that. I can speak on behalf of the FBI in New York City and I want you to know that my recruiting effort is concentrated within the minority communities.

Mr. RANGEL. Well, where do you go? How do you do it? How can we help you?

Mr. SHEER. Congressman, I work almost on a daily basis with individuals like Sterling Johnson, Henry, within the Hispanic community. I do it at my level. I do it at the S-A-C level, which is my first supported level. I do it by my recruiters in the applicant recruiting program. As of this hour, I have six recruiters, four of them are black. They are on the street every day, in the schools, in private industry. I think our effort is very aggressive. I think our effort is intense. I am very disappointed with the results. I don't want you to believe that I am not trying.

Mr. RANGEL. No, no, no. Please don't take this personally. You have to appreciate that recruitment is two sides. A community has to know that there is an opportunity and all of us are public officials and we would like to be able—you know, they come to us for social work, for guidance, for direction, and we are meeting sometime next week with publishers of minority newspapers. It just seems to me that you should reach out and ask for some help. You cannot do it. You cannot get on the block that I live on and tell people that you are looking for black recruits, you can't do it. On the other hand, there will be any number of people that are coming out of high school, that are in college, that may want to do it if they knew what are the benefits? What are the career ladder opportunities?

I might suggest that we think about putting together something, at least in the City of New York, as a career day, with all of the people here, with the exhibits and showing what pride you have in what you have done.

Mr. **Sheer**. Just as an aside, the FBI will have a recruiting kiosk at the National Black Prosecutors Conference this July. That is an example of what we are trying to do. But I would welcome any efforts on your behalf.

Mr. **Rangel**. In New York City that is not going to be too hot, because I think our City people do better than perhaps you do in starting there.

Mr. **Sheer**. That is another issue, if you want to bring up salaries, we can address that.

Mr. **Rangel**. Okay, well, we should.

It would seem to me that without the benefit of mikes and cameras that we are going to have to get together because the truth of the matter is if you don't have the tools, then we are just spinning our wheels. If we are talking about an increase in Nigeria and you are talking about going to the NAACP for recruits, it is not going to work out. And the truth of the matter is that you are dealing with an international problem. You cannot be restricted with domestic guidelines. You need what you need in a war. You have to work with the people that you want.

Mr. **Stutman**. I was also talking, Mr. Chairman, about the use of outside translators. That would be the quickest way.

Mr. **Gilman**. Well, Ben Gilman is saying, you know, we are not just talking about who can understand the language, we are talking about law enforcement people that can be trusted; people who have been investigated; your cultural differences. So what we are talking about, perhaps, goes beyond the restrictions that DEA and the FBI have, and somewhere along the line, even though over the years law enforcement—with the exception of our buddy, Jim—have been very shy about talking about their political needs. And it has only been in recent years that the New York City Police Chief has felt comfortable enough in saying, "I can't handle it." And it is something that may go with the uniform or with law enforcement or pride, that you just do your job.

But Bob Stutman, you said it. You can do your job and we are going to lose this war unless we take a look at the entire problem, and we can't do it if we find ourselves getting political about it because other people are just going to stiffen their defense mechanisms. But somewhere along the line, you are going to have to think about how we cannot get you in trouble, but how you are going to join into the national effort to say that if we double your resources, double the prosecutors, triple the amount of jail space that we have had, that that might not even affect the amount of drugs that would be on our street.

Mr. **Sensenbrenner**. Would the gentleman yield?

Mr. **Gilman**. I will be pleased to yield to the gentleman.

Mr. Sensenbrenner. I would like to get back to this problem of translators and perhaps intelligence gathering devices in some of these ethnic communities.

Do you have any problems in recruitment, and if you do recruit, in security checks, particularly in ethnic communities that are very clanish like certain Chinese ethnic communities?

Mr. Sheer. Yes, sir, we do.

Mr. Sensenbrenner. How do you get around that?

Mr. Sheer. Quite frankly, we don't get around it successfully. That is the biggest part of our resistance.

The ethnic groups, by their very nature, by their clanishness, epitomize portions of our society that haven't been fully integrated into the broad society. They don't fully believe in, for example, in the law enforcement community. They have a tendency to try to solve the problems themselves. There is a distrust of our government; there is a distrust of our society, but it is a bigger problem than the FBI's problem. It is an institutional problem that I think only time and acceptance is going to dissipate.

I don't mean to be rude, but I just want to respond, Congressman Gilman, to your earlier comment about what do I need.

In addition to language skills, I want you to know that the FBI has requested 390 additional agents in this current appropriation, this year's appropriation for narcotics work. I don't know where it stands after that, but we made a request for 390, and I believe the vast majority of them will be centered in the northeast.

Mr. Sensenbrenner. If the Gentleman will yield, I serve as the ranking member of the Subcommittee that authorizes the FBI budget and the FBI budget unfortunately, in my opinion, was cut back. Now, specifically how it was cut back relating to the various investigative divisions of the FBI, I don't know, and in some cases it is classified, but the FBI did not get anywhere close to what it was asking for in additional positions, not only in narcotics, but also in counter-intelligence.

Mr. Gilman. I just might add too, when it is brought to our attention in the Congress, usually we are quite sympathetic to those needs, particularly with drug enforcement. And we will take back your message and, again, with the help of our good colleagues who sit on those committees take another look and see if there is anything we can do.

Mr. Connery?

Mr. Rangel. Let me ask Mr. Sensenbrenner to elaborate. When you say it was cut back was that from the Justice appropriation?

Mr. Sensenbrenner. It was from the Justice request.

Mr. Rangel. Well, they have a lot of internal problems.

Mr. Sensenbrenner. I do believe there was an increase in the total number of positions authorized in the total appropriation from fiscal 1987 to fiscal 1988, but Mr. Chairman, you know, I use your terms for cuts and that is cuts in the rate of growth. That is what we hear complaints about the President's budget quite often. So I will adapt your definition, and the FBI was cut.

Mr. Rangel. Well, U.S. Attorneys were cut as well, but I guess what we are trying to say is that you should tell your people in Washington that they are going to have to find a more clear way to communicate with us their needs because just because Justice has asked for large appropriations doesn't mean that it is going to get to the agencies that you are concerned about. And you should feel free to share your needs with this Committee without the formality of a hearing.

Mr. GILMAN. Mr. Connery.

Mr. CONNERY. Yes. I think even our agency, being the smaller of these agencies, we have unusual authority and we certainly could use more people in this district, especially to bring it back to the strength it had five or six years ago. We are down about 60 percent from that.

Mr. GILMAN. Did you say you have 77 agents——

Mr. CONNERY. Seventy-seven agents that are available present, for half the State of New York.

Mr. GILMAN. How far north do you go?

Mr. CONNERY. We go up seven counties, Long Island, five counties of New York City.

They don't go very far.

Mr. GILMAN. Do you go north?

Mr. CONNERY. North of the first seven counties, and Long Island would be Nassau and Suffolk.

Mr. GILMAN. About a year or two ago when we had a hearing in the City we were told that INS was slow in getting to those who were incarcerated, to process those aliens who were incarcerated. Has that been speeded up?

Mr. CONNERY. Not really because it is a question of there is the volume of arrests that have occurred and our dwindling resources.

Mr. GILMAN. How long does it take you to process an alien who has been incarcerated and convicted of a crime?

Mr. CONNERY. Well, we have a new center set up at Fishkill which is the focal point for all the arrests from New York City, so we have agents up there full time now that interview all the potential aliens as they go through the system. In the process of doing this we have discovered some other anomalies. For example, a lot of narcotics dealers are legal permanent residents and it is very difficult to get them out of the country. We can't even file detainers on them as long as they have an appeal pending. So they can be in jail, serving time in jail, but if they have an appeal pending, which they automatically do, we can't do anything.

Mr. GILMAN. How about the ones without an appeal?

Mr. CONNERY. We can take action against them.

Mr. GILMAN. How long does it take you to process them?

Mr. CONNERY. Processing takes about 30 days because we have to get certified copies of their conviction.

Again, this is all as a result of the laws never really having changed the scope of the criminal alien problems, the dangerous criminal alien problems.

Mr. RANGEL. Let me advise the Committee that we want to adjourn in seven minutes. Thank you, very much.

I would like to direct this to Mr. Connery. I want to make certain I fully understand what you are saying.

You are saying that just four or five years ago you had 240 agents?

Mr. CONNERY. Correct.

Mr. RANGEL. And now you are down to 77 agents?

Mr. CONNERY. We have ten new trainees, so that would make 87 agents, yes.

Mr. RANGEL. Now, how many of these agents would be involved in employee sanctions?

Mr. CONNERY. Fifty percent, presently.

Mr. RANGEL. Which means that the cut is even more severe?

Mr. CONNERY. Correct.

Mr. TOWNS. And the problem keeps increasing.

Mr. RANGEL. And I think it is pretty obvious that the problem definitely keeps increasing. Somewhere along the line this point has to be made because this is another problem.

Mr. GUARINI. Let me just say, Mr. Chairman, I think that when we look at the problem, especially in this region where there is no question about it that we have a tremendous amount of immigrants in the area and a lot of problems, this is something that should also be visited by this Committee as well, in terms of making certain that this particular area is looked into in terms of resources. I think, Mr. Connery, that point has to be made.

Mr. CONNERY. Correct.

Mr. RANGEL. Let me direct the staff to get together with the staff of the Judiciary Committee as well as the appropriating committee and we will take a special look at the needs of Immigration, especially in view of the new laws.

Mr. GUARINI. Are the illegal aliens a small part of the problem or a large part, the illegal ones?

Mr. CONNERY. The illegal aliens are a significant part of it coupled with lawful permanent resident aliens, both. In those two categories of aliens you have got a very significant portion of your problem and it is very hard to get them out of the country under current law, whereas if a Judge was working on an ordinary sentencing, a Judge could order a final order of deportation at the time of sentence and you are getting rid of them right away.

Mr. GUARINI. I just want to ask one more line of questions.

We have had an organized establishment in the United States traditionally and now I understand from what is being said today, that we have Pakistanians, Chinese, Nigerians, Indians, different African nationals, Koreans, Taiwanese, like the United Bamboo, that are operating here. Now, does that mean that the established organized crime's that we have been familiar with in the United States has been moved aside? What is the interaction and is there less business that they are involved in in narcotics trade which has filled the void by these other nationals that have come in, or is this extra business superimposed upon what they are already doing in business?

Mr. SHEER. In a broad generic sense, traditional organized crime role in narcotics importation and distribution has been diminished by all the reasons we have talked about today. That void has been immediately filled by the emerging groups. Mr. Baird said two hours ago that the greatest tragedy that could befall the American people is to let the same mistake happen that we let happen with traditional organized crime as it applies to the emerging groups. If we do not snap them now and snap them hard and snap them quick, we are going to be faced with a whole series of Mafias, at least our children will.

Mr. GUARINI. So we are beating back what we know as organized crime?

Mr. SHEER. I think we are. The emerging groups we are addressing a lot quicker and a lot more vigorously.

Mr. GUARINI. Mr. Stutman.

Mr. STUTMAN. Tom is absolutely right. The traditional organized crime controls less of the heroin traffic, certainly the importation. The other groups are controlling that portion which they let go.

Mr. GUARINI. Is that a result of law enforcement that we have been successful in beating the organized crime back?

Mr. SHEER. I think that law enforcement has had a significant effect on traditional organized crime, certainly in New York.

Mr. GUARINI. Thank you.

Mr. RANGEL. Mr. Traficant.

Mr. TRAFICANT. One last question: First of all, as a former law enforcement officer, I want to congratulate you on the Pizza Connection. That was one of the greatest interventions of an organized crime syndicate ever and I agree with you, it is not the numbers or the pounds, it is the type of arrests you make and its ripple effects throughout its network.

A statement was made earlier: As long as the profit is greater than the risk the issue will continue to be as heavy as possible. I have a two-fold question: Number one, what is the incidence of your agents being arrested for complicity in criminal activities of drug natures, number one; number two, what is your feeling on a capital punishment bill that would be directed at anybody in a first offense, ten kilograms or more, killing a law enforcement officer during such a transaction; and, number three, a second offender, one kilogram or more from a previous arrest?

First of all, what is the incidence of your own agents being arrested? The type of networking going on, criminal activity of agents being turned over to the other side because of the tremendous amount of money? And, number two, what is your feeling on the profit greater than the risk and some effort to direct——

Mr. STUTMAN. From a DEA's point of view, do we have bad agents? Occasionally, absolutely. Just as there are bad reporters, bad priests, bad rabbis, bad whatever. The number of agents who go bad is infinitesimally small because I think the one thing we have going is a bunch of dedicated people who really want to do the job. Some of them do go bad, very few, however.

The issue of death penalty, I am not in a position to comment on this. Frankly, I would point out to you there is an analogy. The problem in New York, you get, you can by state, I believe, get the same penalty for trafficking certain levels of drugs as you can for killing a police officer. So the problem we run into is that we run into groups that say, "He's got me for sale of 50 pounds of heroin, what the hell is the difference if I shoot him anyway?"

We had an incident two nights ago in the Bronx in which traffickers, seven traffickers, pulled guns on two undercover agents. We ended up in a shootout in which about 25 shots were fired in an apartment house. The two traffickers fortunately were killed. One agent literally got creased on his neck with a bullet. That is happening more and more and I would proffer to you that we owe those guys and ladies who are out there on the streets the greatest amount of protection we can give them.

Mr. **Traficant**. Would you support the death penalty for anyone doing a drug transaction attempted to take a life of a police officer? And keep in mind there is a ten-year mandatory——

Mr. **Stutman**. I would teli you that certainly I don't have Department of Justice approval from a personal point of view and not from an agency point of view, if anybody tried to kill one of my people while they were trying to do what was right on this job, I would certainly support that.

Mr. **Rangel**. Let me thank this panel. We have literally hundreds of tons of drugs pouring across our waters. And we are all honest enough to admit that it is infinitesimal what we are able to interdict. By the same token, it appears as though we have an insatiable consumption problem in this country that everyone has to agree that we are going to have to wrestle with. It is really heartbreaking, but I think the American people should know that just when our law enforcement officials have finally developed techniques to break the back of organized crime, that today's hearing clearly indicates that we now have a new and different type of criminal element coming from the Far East, the Near East, Africa, from Asia, and we are going to have to develop new tools and new methodology to deal with this that perhaps goes beyond the tradition of the FBI and the DEA because we know as well as Customs and the Port Authority, you have given us our work to take back to Washington. As Ben Gilman has pointed out, we will take a look at the budgetary problems that you have, but I am suggesting to you that after we conclude this hearing, you should think about having some informal talks because this problem goes beyond your departments and agencies and this Congress has to think of different ways to deal with it.

Mr. Gilman?

Mr. **Gilman**. Thank you, Mr. Chairman, and I want to thank the panelists for their constructive suggestions. This is the kind of input we need and it certainly raised some important considerations for all of us that we will address when we get back to Washington. I hope that you won't limit your thoughts to just this hearing, and that you would pass them on to our Committee. You don't have to attribute your recommendations for a higher budgetary request to you, but please let us know where there are some sore points. We recognize the sensitivity of all of that but we want to try to help you do what you are doing out there in the field.

Thank you, Mr. Chairman.

Mr. **Rangel**. Let me thank the members who with their heavy legislative agendas and coming from all parts of the country, for the terrific turnout that we have had this morning on this very serious problem. And I hope that some of you will be able to continue to stay with us as the Port Authority and Customs will take us through the facilities to share with us the process that they are going through.

Thank you.

[Whereupon, at 12:50 p.m., the hearing was closed.]

PREPARED STATEMENTS

Statement Of

ANDREW J. MALONEY,
UNITED STATES ATTORNEY FOR THE
EASTERN DISTRICT OF NEW YORK

Before The

HOUSE SELECT COMMITTEE ON NARCOTICS
ABUSE AND CONTROL

July 10, 1987
John F. Kennedy Internation Airport
Queens, New York

INTRODUCTION

Over the past few years, groups other than traditional organized crime have become increasingly involved in the importation and distribution of heroin. In response to this problem, the United States Attorney's Office for the Eastern District of New York has targeted Asian, Israeli and African enterprises which import and distribute large quantities of heroin. Indeed, as of June, 1987, more than 900 pounds of Southeast Asian heroin, destined for New York, with a street value of approximately 900 million dollars ($900,000,000.00) has been seized. A description of this and other sources of heroin is discussed below.

SOUTHEAST ASIAN HEROIN TRAFFICKING

The "Golden Triangle" ... Chiangmai ... Bangkok ... Hong Kong ... Macau ... Kuala Lumpur. These places, to the uninitiated, conjure up exotic visions of mystery and intrigue. To the seasoned narcotics trafficker, these places are no mystery. They are the source of between 30 - 40% of the heroin presently being imported into the United States. The magnitude of this Asian heroin network poses a significant challenge to federal law enforcement authorities particularly since the Asian heroin trafficker is as unfamiliar as the culture from whence he came.

In the past eighteen months the United States Attorney's Office for the Eastern District of New York, in conjunction with the special Asian Heroin Group created by Robert M. Stutman, Special-Agent-In-Charge of the New York Field Office of the Drug Enforcement Administration (DEA), has targeted and successfully prosecuted several Asian heroin traffickers. From those cases, what has become clear is that we have much to learn.

A brief historical perspective may make this phenomenon easier to understand. Since approximately 1970, Asian nationals from Thailand, Hong Kong, Taiwan, the

People's Republic of China, the Phillipines, Malaysia and elsewhere have flocked to the United States. The vast majority of these Asian immigrants settled in the existing "Chinatowns" in major cities across the country. The new immigrants, as did others before them, brought to the United States their language, their culture, a strong emphasis on family and clan loyalty, and an intense pride in their heritage. Unfortunately, a small minority of the immigrants also brought with them their affiliation with several well-organized and violent criminal organizations that have operated in Asia for decades. The "Big Circle Gang" and the "14-K", for example, flourished.

The first and largest group of Asians to come to the United States has been the Chinese from the Canton Province of Mainland China. Largely controlled by the "14-K" gang, there developed within the Cantonese population an extensive network of gambling, loan-sharking and prostitution operations which preyed upon the immigrants and set examples for gangs from other parts of Asia. Moreover, since there are large Cantonese populations in Hong Kong --a tremendous financial center-- and Bangkok -- the capital of Thailand, a source-country for opium-- the infrastructure for a heroin pipeline became more entrenched as the illicit Chinese gang networks grew and became more organized. All that was needed for the pipeline to flow was an opening.

Over the last several decades, what we refer to as the Italian "Mafia" had dominated the heroin importation and distribution networks, especially in the New York area. The recent successful prosecutions of various Mafia families has loosened the mob's control over the heroin market. However, the Chinese, with their developing gang networks and easy access to opium sources and financial centers, are all too ready and able to fill the breach. Indeed, Chinese and other Asian nationals are fast becoming the most predominant suppliers of heroin to the United States.

There are two reasons for the phenomonal rise in heroin trafficking by the Chinese. First, Southeast Asian heroin, known as "China White", from the "Golden Triangle", that area formed by connecting Thailand, Laos and Burma, routinely has the highest purity level, usually at least 85 - 90%, in comparison to heroin found elsewhere in the world. One pound of 90% pure heroin imported from Southeast Asia can be turned into approximately ten pounds of 3% street-level heroin by a United States distributor.

Thus, there is tremendous demand for Southeast Asian heroin.

Second, as set out earlier, there is an established network of Asian criminal organizations and gangs in this country. As a result of this established operational structure and the ready access, through family and clan ties, to both financial centers and opium fields, the Asian heroin trafficker has an unparalleled ability to import and distribute the heroin necessary to meet the unending demand. Moreover, the continued influx of distinct Asian national groups such as the Fukinese and the Taiwanese has led to increased competition within the Asian drug trafficking community to fulfill the tremendous demand.

The foregoing factors has led to a significant increase in the supply of Southeast Asian heroin to the United States. DEA and United States Customs statistics establish that in recent years Southeast Asians have been responsible for the largest quantities of heroin imported into this country. Indeed, since January of 1986 the DEA Asian Heroin Group alone has been involved in seizures of Southeast Asian heroin totalling over 900 pounds -- all of which was destined for New York.

A few examples of the cases that have been prosecuted in the Eastern District of New York may be helpful in understanding the magnitude of the Southeast Asian problem. In January of 1987, four individuals -- two from Taiwan, one from Hong Kong and one from Malaysia -- attempted to import over 30 pounds of 94% pure heroin from Thailand into New York. This heroin, which had a wholesale value of approximately $5,000,000 and a street value in New York well in excess of $30,000,000 had been secreted in wooden furniture (specifically built for that purpose) in Chiangmai, Thailand. The ringleader, Mr. Wei Lee, was apprehended in Thailand by the Royal Thai Police and subsequently expelled to the United States. A subsequent investigation linked Wei Lee to an international heroin trafficking ring that had operated for many years and also led to the seizure of approximately 40 pounds of heroin in Bangkok and approximately 20 pounds of heroin in Amsterdam.

Other successful prosecutions in the Eastern District include: two individuals from Mainland China involved in a scheme to import approximately 50 pounds of heroin, again in wooden furniture from Thailand; a Hong Kong Chinese individual attempting to smuggle 15 pounds of heroin inside air conditioners, three Mainland Chinese individuals involved in a scheme to import 10 pounds of heroin using couriers from Macau; and a Taiwanese national carrying 50 pounds of heroin inside wall plaques.

This is just a sampling of the cases the Eastern District, working jointly with the DEA Asian Heroin Group, DEA agents at JFK and U.S. Customs agents, have been involved in during the last eighteen months, but it provides a dramatic picture of the magnitude and scope of Southeast Asia heroin trafficking. The usual difficulties in combating a narcotics network of this scope are enhanced by factors such as: the insular nature of the various national groups, the numerous Asian languages and dialects utilized by the traffickers, and the fact that federal law enforcement personnel have little familiarity with Asian culture and/or languages. These factors make it difficult to utilize traditional enforcement techniques such as wiretaps and undercover agents. Thus, the challenge presented by Southeast Asian heroin trafficking is substantial and complex.

I can say with confidence that we have made important and informed strides in the battle. Clearly though, much remains to be done. Congressional help in the following areas is critical, if the fight is to be successful: increased funding for DEA, FBI and U.S. Customs targeted specifically for the hiring and training of agents and other personnel to work in the realm of Southeast Asian heroin trafficking; investigation into the possibility of including more conspiracy charges as crimes cognizable under extradition treaties; and relaxation of rules in foreign countries ("agent provocateur" rules) limiting the investigative activities of DEA and other federal law enforcement personnel.

SOUTHWEST ASIAN NARCOTICS ORGANIZATIONS

The countries of Southwest Asia, which include India, Pakistan, Afghanistan, Iran and Lebanon, in recent years have accounted for at least 50% of the heroin imported into the United States. Importation takes place in a variety of ways. In our office, we frequently encounter multi-kilogram quantities of heroin secreted inside suitcases, furniture, carpets, brass and wood. Small quantities of heroin are sometimes carried inside body girdles and apparel. In a recent case that was successfully prosecuted by our office, a Lebanese courier hid over a pound of heroin within his artificial leg. His cooperation led to the conviction of three others, including a Manhattan plastic surgeon and a restauranteur.

Southwest Asian traffickers make enormous profits importing heroin into the United States. High quality heroin can be obtained throughout the area for less money than almost anywhere else in the world. A kilogram of 85% pure heroin that sells for $4 - 5,000 in the frontier regions of Pakistan is sold wholesale in New York for over $100,000, a 2000% mark-up. The attraction is great, especially in light of the lower standard of living of most of our source countries. Hardly all of our traffickers are poverty stricken, however. Within the past year, the Eastern District successfully prosecuted Aurang Zeb Khan, son of the former governor of the Northwest province of Pakistan. Khan is a member of one of the wealthiest families in Pakistan. After pleading guilty to two separate indictments, he received a ten year sentence. His arrest was front page news in Pakistan, and forced the resignation of his father, who, ironically, had been a very public foe of the Pakistani drug trade.

Most of the heroin trade, of course, is not controlled by the independent traffickers, but by large and vertically integrated organizations. Lab operators in the region stockpile and convert raw opium into heroin. The processed heroin is then given to middlemen who recruit couriers and devise smuggling techniques. Once in the United States, the heroin is distributed to various groups, including black, hispanic and traditional organized crime groups. Needless to say, large profits are made each step of the way. These profits are frequently hand-carried out of the country or invested in structured transactions disguised to avoid currency reporting requirements. Within the last year, the Eastern District has established a financial crimes section to concentrate on prosecuting currency violations. Most of these violations are narcotics-related.

Possibly the single most effective enforcement technique has been the cooperation of foreign governments. DEA is now well established in Pakistan, India and Turkey. There is, of course, no DEA presence in Iran and Afghanistan. With the assistance of local authorities, DEA overseas has been able to gather important intelligence and utilize informant information. The foreign governments themselves, no doubt recognizing what the narcotics problem has done to corrupt and destabilize some South American countries, are aggressively combating the problem. Pakistan, for instance, is attempting to implement a financial asset forfeiture program to hit traffickers where it hurts the most.

One of the most helpful sources of information is the trafficker himself. The Eastern District has recently instituted a pre-arraignment interview program designed to maximize the law enforcement use of the arrested trafficker's decision to cooperate. As soon after arrest as practicable, an Assistant United States Attorney on duty will attempt to take a statement from and solicit the cooperation of every arrested trafficker who has been advised of his constitutional rights and has decided that cooperation is in his best interests. (And given the new five and ten year "mandatory minimums," without parole, now applicable to most federal drug offenses, cooperation is a frequent choice, not to avoid punishment, but to mitigate it.) This early interview program will enable us to make more frequent and effective use of controlled deliveries and to pursue narcotics trafficking organizations "up the line" from courier or "mule" to distributor.

Some of the problems that we have had are cultural and language-oriented, and I think one of the things we should consider is more frequent use of Southwest Asian nationals on "our team" in working with these trafficking groups. For example, the use of a trustworthy Pakistan policeman in DEA investigations would make a difference. We should do what we can to share intelligence with reliable foreign authorities. As I've indicated, we have seen some terrific improvement in this area, and cooperative ventures hold the best hope for continued success in stemming the drug flow.

AFRICAN HEROIN TRAFFICKING

Beginning in about 1982, significant amounts of heroin have been imported into the United States from the from the West African country of the Federal Republic of Nigeria. Nigeria, the most economically advanced country in Africa, experienced extreme difficulties in its economy which resulted in an unemployment rate of approximately 35% and double-digit inflation. As the Nigerian economy declined, the smuggling of narcotics began.

The Nigerian smuggling groups are loosely structured and appear to exist on either an extended family or tribal affiliation. This close relationship frustrates efforts to uncover the leadership of the Lagos based drug groups because the drug couriers who are arrested rarely name their co-conspirators or cooperate in any meaningful way.

The method of operation of Nigerian couriers evolved as arrests were made and their smuggliong techniques became known to law enforcement. Initially, couriers body-carryied heroin or used crudely-made false sided bags. The methods of concealment progressed to the soles and heels of shoes, followed by concealing the heroin in the hollow frames of luggage carts. Today, the most common method is vaginal or rectal internal concealment. Forty-nine percent (49%) of all Nigerian heroin seizures made by the United States Customs Service as of June, 1987, were internal. Between January and April 15, 1987, fifteen (15) couriers were arrested at John F. Kennedy International Airport carrying a total of 20.75 pounds of heroin. One courier was an off-duty Nigerian Airways flight Captain who was arrested with 7.5 pounds of heroin in his flight bag and his raincoat. He denied knowing that the heroin was there.

The shift in smuggling techniques indicates an organization that is resourceful and adapts quickly when a certain method of smuggling is identified by the Customs Service. For example, apparently because of the large number of arrests of Nigerian nationals, other African nationalities have been recruited. Recently, the arrests of nationals from Ghana, Liberia, Benin and Cameroon have been reported, as well arrests of U.S. citizens and Europeans, all of whom were acting at the direction of a Nigerian organization.

Fortunately, the Nigerian government has recognized the emerging narcotics problem and is cooperating extensively with the United States. Last month, officials of the Nigerian Ministry of Justice, the Customs & Excise Section, the Lagos Police and the Nigerian Embassy met with officials of the United States Departments of State and Justice in Washington, D.C., to discuss the problem and to explore what cooperative steps could be taken to combat the problem. It is expected that such continued cooperation will benefit both the United States and Nigerian in their mutual war on drugs.

ISRAELI HEROIN TRAFFICKING

In considering heroin trafficking by Israeli nationals, it is important to keep two points in mind: first, there is "Israeli Organized Crime" which controls Israeli heroin trafficking; and second, that techiniques developed to combat Italian Organized Crime do not readily transfer to Israeli Organized Crime due to very different types of organization. While Italian Organized Crime is generally organized along "family" lines, with any given family being represented up and down the distribution network, Israeli Organized Crime is much more loosely organized, and tends to organize more along horizontal lines than the Italians.

Israeli drug traffickers have well developed connections to the sources for narcotics in Thailand, Pakistan, Turkey and the Middle East and an ability to import substantial quantites of heroin into the United States. They also have a fairly well organized system for distributing the newly imported heroin to middle-level distributors, who in turn sell it to wholesalers. The involvement by Israelis basically stops at the wholesale level, leaving the Israelis largely -- though not entirely -- dependent on other groups of traffickers to cut the heroin and actually sell it to end-users. In our investigations we have found that the Israelis deal primarily with Hispanics, Chinese and Italians (including Italians in organized crime families) for the final link in the distribution network.

Our investigations and intelligence information suggests that Israeli traffickers primarily use one of three routes to import heroin into the United States. They move heroin from Pakistan to Japan, where false shipping documents are created. (Trans-shipping through Japan is a way of deflecting suspicion because Japan is not a source country for narcotics.) From Japan, the heroin moves to Hawaii and then to mainland U.S., or to The Netherlands and then to the U.S. Israelis are also known to move heroin from Turkey to The Netherlands to the U.S.; from Thailand to Honk Kong to either Paris or The Netherlands and then to the U.S., sometimes through Montreal. As with all trafficking groups, the ways Israelis use to smuggle the heroin into the United States are as varied as one's imagination permits -- everything from body carries to false bottom suitcases to commercial shipments have been seen.

The precise amount of heroin which is controlled by Israelis is, or course, difficult to assess. It is, however, believed that one major Israeli importer, identified as operating in the New York area, is alone responsible for importing approximately five (5) to eight (8) kilograms of high quality heroin per month.

The Eastern District has prosecuted significant importers and middle-level distributors in Israeli trafficking circles. Some of these traffickers have agreed to cooperate with the United States and have provided valuable information concerning Israeli drug traffickers. Information from traffickers themselves is among the most valuable information we can obtain in fighting the war on narcotics. In this regard, we hope that the new mandatory sentencing of narcotics offenses will provide a powerful incentive for defendants to cooperate.

Before I address some particular difficulties and advantages we have encountered in investigating and prosecuting Israelis, I should point out two quirks we have observed. First, one way that Israelis are trafficking in heroin is to trade it for cocaine. The cocaine is then either imported into the United States or imported into

Israel. The other quirk is that as Israelis traffickers become more wealthy through their drug dealing, they have an observed tendency to become their own best customers for narcotics. This, not infrequently, results in their business deteriorating, although there is always someone else available to pick up the slack.

Investigations into trafficking by Israelis is facilitated by generally excellent relations which exist between law enforcement in the United States and the Israeli police. Although there are very good relations and the Israeli police are as cooperative as their laws permit, we believe that investigations would be facilitated by the full-time presence of a DEA office in Israel rather than the current practice of servicing Israel out of the Ankra Office.

Investigations of Israelis are somewhat more difficult than those of other groups due to several factors. First, investigative tools such as wiretaps are logistically more difficult due to the relative scarcity of translators who speak Hebrew and Arabic. (We have foumd that many of the Israeli traffickers are bilingual in Hebrew and Arabic and use both languages while negotiating.) Another area of difficulty is inherent in the fact that names can be legitimately altered in several different ways when changing from Hebrew to English spellings. Alternate spellings of the same person's name can cause havoc in identifying people, even in the days of complete computerization.

A successful assault on Israeli drug trafficking is a necessary element of any attempt to stem the flow of heroin in the United States. Although we have a good base of intelligence and informants to begin the assault, to be successful there must be adequate resources to pursue investigative leads. The requirement of resources transcends but also includes necessary money and manpower at the agency level. In order successfully to prosecute developing organized crime groups such as Israelis, it is essential that we have adequate prosecutorial resources to devote to the problem.

STATEMENT OF STERLING JOHNSON, JR.
SPECIAL NARCOTICS PROSECUTOR
AT HEARINGS BEFORE THE
HOUSE SELECT COMMITTEE
ON NARCOTICS ABUSE AND CONTROL
AT J.F.K. INTERNATIONAL AIRPORT

JULY 10, 1987

First, I'd like to thank the Committee for inviting me to speak today. The committee's focus on the heroin trade during these hearings is particularly apt. After a year of a media blitz on "CRACK", unsophisticated members of the public might be under the impression that heroin is out of style as a drug of abuse. Our intake figures are showing quite the contrary. At the present time, about 25 percent of our cases involve heroin, reflecting a 10 percent increase in heroin cases over last year's figures.

As we all know, the influx of cocaine and heroin being smuggled into this country from foreign lands is a monster with a million heads and tentacles. We know generally that cocaine has basically come into the United States from Latin America and has been controlled by some Columbian nationals. Heroin, on the other hand, is being imported and distributed by myriad ethnic groups. I don't mean to be facetious when I say that the heroin trade, once the preserve of so-called "traditional" organized crime in this country, is now an equal opportunity employer. It is wide open to criminal opportunists with a market for their product and overseas connections, regardless of race, color, creed, or national origin. The stark reality of the situation is that the amount of heroin smuggled into this country has more than doubled since 1980. During the past year alone, my office has undertaken prosecutions of heroin dealers whose roots include Russia, China, Pakistan, Israel, Albania, and Africa, among others. Now, except for being an interesting sociological fact, what difference does it make to a narcotics prosecutor that more diverse elements are involved in heroin trafficking? Well, it makes plenty of difference.

Diversity, and the influx of new groups and organizations, spawns a need for expertise, intelligence, manpower and equipment tailored to the group to be penetrated and ultimately disbanded by law enforcement. Each new group presents different challenges in terms of its modus operandi, international connections, techniques, and language. Intelligence must be gathered through the use of informants with inside information and through inter-agency cooperation with local, state, federal, and foreign law enforcement agencies. Skilled agents are needed to gain the trust of these criminals through undercover work. Wiretaps must be supervised and interpreted by persons who understand the dialect and language being spoken. Experienced attorneys needed to oversee investigations and conduct the resulting prosecutions.

As this Committee knows, my small office (70 Prosecutors) has been stretched to its productive limits by record increases in investigations, prosecutions and trials. In 1986, we sought and obtained 5,250 indictments, a 69 percent increase over the preceding year, without commensurate increases in resources to absorb the extra burdens. In 1985 my office obtained 311 search warrants. In 1986 that figure soared to 553, an increase of 78 percent.

New York State Department of Corrections figures revealed that over 3200 persons were committed to state prison for drug violations in 1986. Of those, 79.5 percent or over 2500 came from New York City. Of these, my office was responsible for over 1300 or 55 percent. If we examine the state figures (3200), my office was responsible for incarcerating 40 percent of all those convicted for trafficking in drugs in New York State in 1986.

I take great pride in the investigations unit that is part of my office. And while the legal and support staff have done a magnificent job of conducting sophisticated investigations with limited resources, the lack of adequate funding prevents us from undertaking more investigations that require sophisticated and diverse manpower and equipment.

I am not saying, of course, that funding this Office's efforts adequately is a panacea for this menace. As I have said repeatedly on prior occasions, the federal government must find a way to protect our borders from the influx of heroin. No program or effort undertaken internally can succeed unless drugs are interdicted before they cross our borders. Border patrols and Customs screens must both be immediately and dramatically stepped up in addition to a stronger committment to law enforcement, treatment, prevention, education and other programs.

Another area that certainly bears improvement is the effort to root out and deport aliens charged with narcotics crimes. During the past year, this office met with representatives of the Immigration and Naturalization Service in an effort to forge an agreement to work together to remove drug criminals who do not belong in this country. I have been willing to strike plea bargains in certain cases under which a defendant's prison sentence would be stayed on the condition that he or she voluntarily leave this country at his or her own expense and not return. Under the terms of such an agreement, the sentence would have to be served if the individual returned to this country. Such a program could help relieve our overcrowded prisons and actually speed dispositions of these cases.

I feel that the prosecution and deportation of aliens under the threat of stiff prison terms if they in return can help to discourage persons who act as links between American-based dealers and foreign sources.

Nonetheless, there can be no doubt that the greater the number and diversity of heroin importing operations, the greater the need for adequate investigative and prosecutorial resources. This office is committed to the investigation and prosecution of narcotics crime at all levels. The more numerous and more diverse the enemy, the greater our efforts must be. With adequate resources, we can adapt to the shifting patterns of heroin distribution with effective measures to combat it.

Thank you.

U.S. Department of Justice

Drug Enforcement Administration

Statement

of

ROBERT M. STUTMAN
New York Field Division
Drug Enforcement Administration
U.S. Department of Justice

Before

The

Select Committee on Narcotics Abuse and Control
U.S. House of Representatives

Concerning

Emerging Criminal Groups in Heroin Trafficking

on

July 10, 1987

Mr. Chairman and members of the Select Committee, I am pleased to appear before you to discuss emerging groups in New York's heroin trade. Drug trafficking patterns are constantly changing, often as a result of Federal, state, and local drug enforcement efforts. New York is no exception. We are seeing a significant realignment among major heroin importing and trafficking groups.

TRAFFICKING PATTERNS

During fiscal year 1986, almost half of the heroin seized by the Drug Enforcement Administration nationwide was seized in New York State.

New York continues to be a center of heroin activity as both a primary importation point for transshipment and also as a primary destination. Heroin continues to be readily available at the wholesale and retail levels in the New York area. Historically, heroin importation into New York has been controlled by traditional organized crime families. These traditional organized crime families deal almost exclusively in heroin from Southwest Asia (SWA heroin), originating in Afghanistan, Iran, and Pakistan. These families often controlled the entire process once the opium had been converted to morphine base. They controlled the conversion to heroin, the importation into the United States, and the wholesale level distribution to lower-level traffickers.

The most significant trend in the New York heroin marketplace has been the loss of dominance by these traditional organized crime heroin traffickers. This change is because of several major law enforcement successes. Criminal groups allied along ethnic lines are moving to fill the gap that has opened. Those groups of Chinese, Pakistani, Nigerian, Ghanian, Lebanese, and Indian traffickers had lower profiles in previous years and are now benefiting from a more open heroin market.

Even at a reduced level, traditional organized crime members are still involved in a significant amount of heroin activity. They continue to be wholesale distributors, generally in one to five kilogram lots, both within New York and to other Eastern U.S. cities. Traditional organized crime groups in New York still import some of their own heroin; however, they also obtain heroin from Chinese, Thai, and Nepalese heroin traffickers.

Ethnic Chinese heroin traffickers are now establishing themselves as the dominant force in the New York heroin marketplace, and they have almost exclusive control over the local Southeast Asian (SEA) heroin market. Southeast Asian heroin is from the Golden Triangle area of Burma, Laos, and Thailand.

HEROIN SOURCE AREAS

The Domestic Monitor Program (DMP), a DEA program to identify the source areas of heroin samples bought at retail level, provides dramatic evidence of the change in New York's heroin market. In 1982, 96 percent of the New York City DMP heroin samples were Southwest Asian in origin. Only 3 percent originated in Southeast Asia and 1 percent in Mexico.

Since then, SWA heroin has declined steadily, while SEA heroin has increased. The latest New York DMP figures for January through June 1986 show 62 percent SWA and 38 percent SEA. We currently estimate that approximately 40 percent of the heroin available in the New York area originates in Southeast Asia. The chart below shows the yearly changes.

DOMESTIC MONITOR PROGRAM

NEW YORK CITY

	SWA	SEA	Mexican
1986 (Jan.-June)	62 %	38 %	0 %
1985	52 %	45 %	3 %
1984	72 %	26 %	2 %
1983	84 %	16 %	0 %
1982	96 %	3 %	1 %

Several groups of ethnic-based traffickers including traditional organized crime, Pakistanis, Indians, Lebanese, Nigerians, and Ghanians are responsible for the SWA heroin, which currently represents 60 percent of the market. However, only one group, the ethnic Chinese, control almost the entire SEA heroin market. The emergence of the Chinese as the leaders in the New York heroin market is one of the most significant changes in recent history.

ETHNIC CHINESE GROUPS

The Chinese from Hong Kong, Taiwan, Thailand, Malaysia, and Singapore continue to be the principal organizers and financiers of the heroin traffic from Southeast Asia. There is also a strong involvement of Thai nationals, although most of them appear to be of ethnic Chinese origin. These traffickers are well-organized and are capable of organizing, brokering, and importing multi-hundred pound quantities of heroin into the United States.

The Taiwanese Chinese are the newest of the Chinese groups to be involved in large-scale heroin trafficking. This may be related to the large numbers of Taiwanese emigrating to other parts of the world, especially North America. There is also strong evidence that individuals from Taiwan have established strong ties in various Central and South American countries such as Bolivia, Uruguay, Panama, and Mexico. The purity of this SEA heroin is rarely less than 85 percent.

Older, established Chinese smuggling groups control heroin shipments from Southeast Asia, along with the delivery and wholesale distribution in New York. These high-level violators use sea and air freight and are responsible for most of the SEA heroin entering New York. One group, in particular, is estimated to have imported over 800 pounds of heroin into the United States in a two and one-half year period. In June 1985, 210 pounds of heroin destined for New York were seized in Seattle from an air freight shipment; in December 1986, 301 pounds of heroin destined for New York were seized from a sea cargo shipment in Bangkok, Thailand. This group controlled both of these shipments, along with several other significant heroin shipments that also have been seized.

While these sophisticated, established groups control most of the SEA heroin traffic, other trends are becoming apparent. One is the involvement of Chinese youth gangs, some of which have become heavily involved in heroin importation in New York. The gang members often use the body carry method as opposed to the older, more established traffickers who still prefer to smuggle heroin via air or sea cargo. Realistically, youth gang members do not have the money or the organization needed to smuggle large loads of heroin secreted in cargo. The gang members purchase a pound of heroin Southeast Asia for about $4,000, smuggle it into the United States, and sell it for approximately $65,000 to $70,000. The usual body carry weight is approximately three pounds. These gangs in New York, when seeking a heroin connection in Southeast Asia, have turned to the Hong Kong-based Triads. This has given the Triads a more direct economic and organizational influence over the gangs in New York.

There is also a significant class of "freelance" heroin violators within the New York Chinese community. This violator is usually a newly arrived immigrant who becomes aware of the huge profits obtainable from successfully smuggling one to three pounds of heroin into the United States. The freelance operation is usually comprised of a group of blue collar restaurant or garment workers, one of whom has a connection in Hong Kong and another who has a buyer in New York. This group of "investors" pools its savings to finance one drug smuggling transaction. If successful, they usually invest their profits in a legitimate business and get out of the drug business.

Another recent trend is the involvement of Chinese individuals of Fukinese origin. These people have emigrated, often illegally, from Fookein province in southern China. The Fukinese are extremely clannish, speak a different dialect, and do not associate with other groups in the Chinese community.

Approximately one year ago, an enforcement group was formed by the DEA/New York Field Division to specifically investigate Asian heroin traffickers. Although language and cultural differences make investigations of Oriental violators extremely difficult, this group has been very successful. During the first three months of 1987, the Asian Heroin Group accounted for the seizure of over 60 pounds of heroin.

SOUTHWEST ASIAN HEROIN TRAFFICKING GROUPS

While ethnic Chinese are the single most prominent group involved in the New York heroin traffic, several other groups, which traffic in Southwest Asian heroin, are also having a significant impact on the New York heroin situation. As stated previously, traditional organized crime members continue to be active, as are Nigerians, Ghanians, Pakistanis, Indians, and Lebanese.

Nigerian traffickers began bringing heroin into New York and other cities in the early 1980's. Nigerian trafficking groups obtain SWA heroin primarily from Pakistan and have it smuggled into the United States via couriers on commercial flights. Intelligence gathered over the years has shown that these couriers are not independent operators, but are controlled by highly organized groups. New York is the primary port of entry and the heroin is distributed to Nigerian trafficking groups in East Coast cities that have substantial Nigerian populations, such as Baltimore and Washington, D.C.

The previous method of operation was to smuggle the heroin concealed in body cavities. Over the last year, the trend has been away from internal body carries, which averaged about 200-300 grams, and is toward kilogram-sized loads secreted in false-bottomed luggage. The number of Nigerian violators arrested at John F. Kennedy International Airport is down significantly from one year ago and internal body carry seizures are almost non-existent. This is because the larger loads require fewer couriers and courier trips to smuggle the same quantity of heroin.

Heroin smuggling and distribution groups from Ghana have recently become active. In October 1986, a joint enforcement operation resulted in the arrest of 51 Ghanians and the seizure of three and one-half kilograms of heroin. At least 17 of the 51 arrested were Class I traffickers, the highest level of trafficker. Almost 10 kilograms of heroin were previously seized while this investigation was ongoing.

The heroin trafficked by Ghanians is generally brought from Pakistan or India to Ghana, where it is packaged for transport to the United States. Most of this transport is by courier, some of whom smuggle via body cavity. The purity of Ghanian heroin ranges from 20 to 78 percent. The Ghanians are unusual in that they control their portion of the heroin traffic down through the street-level. Some traffickers are sending drug proceeds back to

Ghana. Several Ghanian defendants have bank accounts in Ghana and are purchasing houses there.

Pakistani traffickers have a major role in heroin smuggling to New York. Pakistani and Indian heroin is readily available, and Pakistani heroin is between 65 and 90 percent pure. Pakistanis are involved in extensive courier activity and also conceal heroin in air freight. The usual courier load ranges from one to eight kilograms, with a standard courier fee of $10,000. Within New York, Pakistanis are generally heroin importers and wholesalers and are not involved with street distribution operations. Pakistani violators also use New York as a distribution base for other heroin operations throughout the United States. Indian traffickers are beginning to emerge as significant sources of supply for New York-based traffickers.

Lebanese traffickers import and distribute multi-kilograms of heroin with purity in the 70 percent range. Couriers prefer to transport heroin concealed in false-sided luggage. There have been sporadic reports of Middle Eastern heroin being concealed in motor vehicles which are shipped to the New York/New Jersey port area by vessel.

New York is also the home of several high-level Israeli violators who are part of a close-knit group of Israeli criminals known as the "Israeli Mafia." These New York-based Israeli Mafia violators use their worldwide connections to arrange for multi-kilogram loads of heroin to be smuggled to New York for distribution here or shipment to other Israeli violators throughout the united States.

Other groups of ethnic traffickers, such as Turks, Nepalese, or Albanians occasionally get involved in heroin trafficking as the opportunity arises.

THE ENFORCEMENT RESPONSE

Within New York, we have taken several steps to increase our enforcement effectiveness. Several of the enforcement groups in New York have been asked to work with specific DEA overseas offices and foreign law enforcement officials. Along with the previously mentioned Asian Heroin Group, one group works directly with DEA offices in Islamabad and Lahore, Pakistan; one works with the DEA office in New Delhi, India; and one works with DEA offices in Italy. The expertise developed by these enforcement groups on particular ethnic smugglers and methods, along with effective liaison with foreign officials, has given us the ability to initiate and conduct significant investigations of ethnic traffickers overseas who are responsible for heroin entering New York.

Many of our interagency law enforcement efforts are directed against ethnic heroin traffickers. We work very closely with the FBI on traditional organized crime investigations. Two DEA enforcement groups are assigned to the Organized Crime Drug Enforcement Task Force (OCDETF) and are completely integrated with their FBI counterparts who are assigned to the OCDETF. Along with traditional organized crime investigations, the OCDETF groups also work on major heroin cases, some of which involve ethnic traffickers.

Whether by courier shipment or air cargo, JFK Airport is the focal point for much of the heroin smuggling in New York. DEA and the U.S. Customs Service in New York have formed a unique enforcement operation at JFK Airport known as the Joint Narcotics Smuggling Unit (JNSU). The JNSU is comprised of two enforcement groups of DEA and U.S. Customs Special Agents working together. One group of DEA and Customs agents is supervised by a DEA agent and the other is supervised by a U.S. Customs agent. The JNSU is not just a seizure processing unit. They follow up on airport seizures by completing their own investigations, including undercover work if necessary.

We also work closely with the Port Authority Police Department (PAPD) and their cooperation and assistance is an integral part of our enforcement groups at JFK Airport. The PAPD has assigned several detectives to work full-time with our enforcement groups at JFK Airport. These detectives are involved in the full range of DEA investigative functions, including international travel if necessary.

DEA/New York also works with other agencies on a case-by-case basis. The October 1986 enforcement operation against the Ghanian traffickers was a joint investigation conducted by DEA; the FBI; the U.S. Customs Service; the Bureau of Alcohol, Tobacco and Firearms; the New York State Office of the Special Narcotics Prosecutor; and the New York City Police Department. The close cooperation of all of these agencies made this investigation far more successful than if any one agency had worked unilaterally.

The differences of language and culture, along with the uses of sophisticated smuggling and trafficking methods, make the investigation of these ethnic heroin traffickers a difficult task. Many of the traffickers will sell drugs only to well-known associates or members of the same ethnic group. Most drug-related conversations, transactions, and records are in the native language of the trafficking group. This makes undercover penetration, document analysis, and court-ordered communication intercepts very difficult. A cadre of interpreters readily available to DEA and our counterparts would be of great assistance in these investigations and would make our efforts more productive.

Mr. Chairman , this concludes my testimony on emerging groups in the heroin trade. I would be pleased to answer any questions the committee may have.

STATEMENT FOR
U.S. CUSTOMS
SPECIAL AGENT IN CHARGE
ARTHUR K. STIFFEL

BEFORE THE HOUSE SELECT COMMITTEE
ON NARCOTICS ABUSE AND CONTROL
JFK INTERNATIONAL AIRPORT
JAMAICA, NEW YORK 11430
JULY 10, 1987

MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE, I APPRECIATE THIS OPPORTUNITY TO APPEAR BEFORE YOU TODAY TO DISCUSS THE SMUGGLING OF HEROIN, BY NEWLY EMERGING SMUGGLING GROUPS INTO THE UNITED STATES.

OVERVIEW

IN PAST YEARS THE ORGANIZED SMUGGLING OF HEROIN INTO THE UNITED STATES HAS BEEN CARRIED OUT IN MOST HIGH VOLUME SHIPMENTS BY ELEMENTS OF THE ITALIAN MAFIA. EVEN THE FEW DIVERSE GROUPS ENCOUNTERED DURING THIS PERIOD WERE TO SOME EXTENT CONTROLLED OR AFFILIATED WITH TRADITIONAL ORGANIZED CRIME ELEMENTS.

DURING THE LAST TWO YEARS THERE HAS BEEN AN INCREASE IN THE NUMBER OF NON-ITALIAN SMUGGLING GROUPS ATTEMPTING TO SMUGGLE HEROIN INTO THE UNITED STATES.

SINCE THE BEGINNING OF FISCAL YEAR 1987 THERE HAVE BEEN 77 SEIZURES OF HEROIN AT JFK AIRPORT, OF WHICH 57 RESULTED IN SUBSEQUENT INVESTIGATIONS. THESE SEIZURES TOTAL 227 POUNDS AND RESULTED IN THE ARREST OF 70 INDIVIDUALS.

APPROXIMATELY 25% OF THOSE ARRESTED WERE NOT COURIERS OR MULES BUT RATHER MAIN PARTICIPANTS IN HEROIN SMUGGLING CONSPIRACIES APPREHENDED AS A RESULT OF FOLLOW-UP INVESTIGATION BY THE NEWLY FORMED JFK NARCOTICS SMUGGLING UNIT (JNSU).

DESCRIPTION OF APPREHENSIONS BY NATIONALITY - FISCAL YEAR 1987

NIGERIANS	34	AFGHANS	2
AMERICANS	11	VIETNAMESE	1
CANADIANS	5	GERMANS	1
LEBANESE	4	IRANIANS	1
INDIANS	3	PAKISTANIS	1
CHINESE	4	GHANIANS	3

BRIEF OF SOME NATIONALITY GROUPS

I. NIGERIA

NIGERIANS ACCOUNT FOR ALMOST HALF OF ALL THOSE ARRESTED AS A RESULT OF HEROIN SMUGGLING ATTEMPTS AT JFKIA. IN THE PAST, THE MOST COMMON SMUGGLING METHOD UTILIZED BY THESE NIGERIAN ORGANIZATIONS WAS THE INTERNAL BODY CARRY. BY USING THIS MEANS, AN INDIVIDUAL WOULD INSERT UP TO 250 GRAMS OF HEROIN INTO A BODY CAVITY. THE SMUGGLING ORGANIZATION WOULD SEND NUMEROUS COURIERS ON THE SAME FLIGHT IN THE HOPE THAT SOME OF THEM WOULD GET THROUGH THE U.S. CUSTOMS INSPECTIONS.

IN RECENT MONTHS THE NIGERIANS HAVE CHANGED THEIR SMUGGLING METHODS. THEY HAVE BEGUN TO USE A VARIETY OF SOPHISTICATED CONCEALMENT TECHNIQUES. THE FOLLOWING ARE EXAMPLES OF THESE CONCEALMENT METHODS: HEROIN HAS BEEN FOUND SECRETED IN :

A) WOODEN COAT HANGARS

B) HEELS OF SHOES

C) SHOULDER PADDING OF MEN'S SUITS

D) RADIO SPEAKERS

E) AEROSOL CANS

F) FALSE SIDES AND BOTTOMS OF TRUNKS AND SUITCASES

G) STRAPS OF CARRY-ON LUGGAGE

IN ADDITION TO CHANGING THE CONCEALMENT METHODS. THE QUANTITY OF THE HEROIN HAS INCREASED AND THE QUALITY HAS DECREASED. THE NORMAL AMOUNT OF HEROIN UNCOVERED NOW HAS RISEN TO BETWEEN ONE THOUSAND (1,000) AND TWO THOUSAND (2,000) GRAMS. HOWEVER, THE PURITY MAY ONLY BE TEN TO FIFTEEN PERCENT (10-15%) AS COMPARED TO FIFTY PERCENT (50%) PREVIOUSLY.

II. CHINESE

DURING FISCAL YEAR 1987 THERE HAVE BEEN ONLY FOUR (4) SEIZURES OF HEROIN INVOLVING CHINESE AT JFKIA. HOWEVER, THESE FOUR SEIZURES HAVE RESULTED IN ALMOST TWENTY-FIVE PERCENT (25%) OF THE TOTAL WEIGHT OF HEROIN SEIZED. IN ADDITION, THE QUALITY OF THE HEROIN IS OVER NINETY PERCENT (90%) PURE. AS COMPARED TO THE TEN PERCENT (10%) IS THE NIGERIAN SEIZURES. FINALLY, THE

METHODS USED BY CHINESE HEROIN SMUGGLERS ARE MORE SOPHISTICATED INDICATING THAT THESE SMUGGLERS HAVE A THOROUGH WORKING KNOWLEDGE OF INTERNATIONAL PASSENGER TRAVEL AND THE INTERNATIONAL MOVEMENT OF FREIGHT.

III. INDIA AND PAKISTAN

TO DATE THE INVESTIGATION OF THE SMUGGLING OF HEROIN INTO THE U.S. BY NATIONALS OF INDIA HAS UNCOVERED A MAJOR, HIGHLY SOPHISTICATED AND WELL STRUCTURED OPERATION. THESE SMUGGLING GROUPS USE PASSENGERS AND CARGO TO CARRY THE HEROIN INTO THE UNITED STATES. THEY MAKE USE OF AIRLINE PERSONNEL TO FACILITATE THEIR ATTEMPTS. TO DATE ONE OF THE ONGOING INVESTIGATIONS HAS UNCOVERED AN ORGANIZATION WHICH IS RESPONSIBLE FOR THIRTY (30) KILOS OF HEROIN A MONTH BEING BROUGHT INTO THE UNITED STATES AT VARIOUS PORTS AND DISTRIBUTED THROUGHOUT THE U.S. SEVEN PRINCIPALS IN THIS ORGANIZATION HAVE BEEN ARRESTED INCLUDING THE NUMBER ONE CONSPIRATOR WHO IS WANTED BY FOUR OTHER COUNTRIES FOR HEROIN SMUGGLING. IN ADDITION, TWENTY (20) POUNDS OF HEROIN HAVE BEEN SEIZED.

ENFORCEMENT STRATEGY

INSPECTION AND CONTROL

OUR INSPECTION AND CONTROL PROGRAM IS RESPONSIBLE FOR THE PROCESSING OF PERSONS AND CARGO, AND THE CLEARANCE OF ARRIVING CARRIERS FOR REVENUE AND ENFORCEMENT PURPOSES. OUR INSPECTION AND CONTROL EFFORTS EMPHASIZE CONTINUED IMPROVEMENT IN THE ENFORCEMENT OF PERTINENT LAWS AND REGULATIONS AND THE EXPEDITIOUS PROCESSING OF PERSONS AND CARGO.

SOME CHANGES WHICH WILL ENABLE US TO INCREASE OUR EFFECTIVENES ARE:

-- AUTOMATED SYSTEMS FOR CARGO PROCESSING

-- USE OF PROFILING TO IDENTIFY HIGH RISK CARGO

-- AUTOMATED AIR AND SEA MANIFESTING

-- CENTRAL DEVANNING OF CONTAINERS

-- THE USE OF SPECIALLY TRAINED INSPECTIONAL TEAMS CALLED CEI TEAMS WHO CONCENTRATE ON CONTRABAND ENFORCEMENT.

-- OBTAINING THE COOPERATION OF DOMESTIC AND FOREIGN AIRLINES AS WELL AS MARINE CARRIERS TO HELP PREVENT THE USE OF THEIR CONVEYANCES TO SMUGGLE NARCOTICS INTO THE UNITED STATES.

-- BORDER ENVELOPE TEAMS DEVELOPING INTELLIGENCE TO FURTHER THE INVESTIGATIVE EFFORTS.

INVESTIGATIONS

UP UNTIL THIS PAST FISCAL YEAR POST-SEIZURE INVESTIGATIONS WERE CONDUCTED BY DEA WITH SUPPORT FROM CUSTOMS. BOTH GROUPS WORKED AS A SEPARATE ELEMENT WITH CUSTOMS CONCERNED WITH INTERDICTION AND DEA WITH CONTROLLED DELIVERY.

A RECENT DEVELOPMENT HAS BEEN THE CREATION OF A JOINT GROUP OF INVESTIGATORS FROM BOTH DEA AND CUSTOMS WORKING TOGETHER IS CARRYING NARCOTICS INVESTIGATIONS FROM THE INTELLIGENCE AND INTERDICTION PHASE ON THROUGH WITH CONTINUETY TO THE IDENTIFICATION OF THE MAJOR TARGETS RESPONSIBLE FOR IMPORTATIONS OF HEROIN.

THE GROUP HAS BEEN IN EXISTENCE SINCE APRIL 1986, AND HAS RESULTED IN A TWO HUNDRED PERCENT (200%) INCREASE IN NARCOTICS ARRESTS AT JFKIA; AND THE SEIZURE OF NUMEROUS ASSETS (CASH, JEWELRY, VEHICLES).

BECAUSE THE SAME AGENTS HANDLED A CASE FROM START TO FINISH THE CHANCE OF LEADS FALLING THROUGH THE CRACK IS REMOTE AND THE PROBABILITY OF FOLLOWING THE CASE TO THE HIGHEST LEVEL CONSPIRATORS IS EXTREMELY HIGH.

ASSESSMENT

JFK IS THE MAIN IMPORT POINT FOR HEROIN ENTERING THE UNITED STATES. THIS IS COMPLICATED BY THE NEW VARIED GROUPS AND TECHNIQUES BEING USED TO SMUGGLE.

HOWEVER, THROUGH THE USE OF THE VARIED INSPECTIONAL TECHNIQUES DESCRIBED ABOVE AS WELL AS THE SPLENDID COOPERATIVE EFFORT BY DEA AND CUSTOMS WE ARE DOING A MORE EFFECTIVE JOB THAN EVER BEFORE AT STEMMING THE FLOW UNTIL THE DESIRED REDUCTION IN DEMAND IS ACHIEVED.

MR. CHAIRMAN, I WOULD LIKE TO EXTEND AN INVITATION TO YOU AND THE MEMBERS OF THIS COMMITTEE TO PERSONALLY VISIT THE JFK NARCOTICS SMUGGLING UNIT, WHICH IS HOUSED IN THIS BUILDING, AT THE CONCLUSION OF THIS HEARING TO SEE FOR YOURSELVES THE DEGREE OF COOPERATION NOW EXISTING BETWEEN CUSTOMS AND DEA PERSONNEL.

THIS COMPLETES MY FORMAL STATEMENT. I WOULD BE HAPPY TO ANSWER ANY QUESTIONS.

U.S. Department of Justice

Federal Bureau of Investigation

Washington, D.C. 20535

OPENING STATEMENT

ASSISTANT DIRECTOR THOMAS SHEER

NEW YORK OFFICE - FBI

BEFORE

THE

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

HOUSE OF REPRESENTATIVES

JULY 10, 1987

MR. CHAIRMAN, I AM PLEASED TO APPEAR BEFORE THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL, TO DISCUSS THE FBI'S EFFORTS TO COMBAT EMERGING CRIMINAL GROUPS SEEKING TO BROADEN THEIR INFLUENCE IN THE DRUG TRAFFICKING MARKETPLACE. THESE EMERGING CRIMINAL ENTERPRISES POSE AN INCREASING THREAT TO THE CITIZENS OF NEW YORK AND, INDEED, THE ENTIRE NATION.

OUR INVESTIGATIONS, AS WELL AS THE INVESTIGATIONS OF OTHER LAW ENFORCEMENT AGENCIES HERE TODAY, HAVE UNCOVERED EVIDENCE THAT A NUMBER OF ETHNIC GROUPS HAVE BEEN MOVING AGGRESSIVELY TO COMPETE WITH TRADITIONAL ORGANIZED CRIME GROUPS, SUCH AS LA COSA NOSTRA AND THE SICILIAN MAFIA, NOT ONLY IN THE DRUG TRAFFICKING MARKETPLACE BUT ACROSS THE SPECTRUM OF ORGANIZED CRIMINAL ACTIVITY. THIS INCREASED ACTIVITY BY AFRICAN, CHINESE, CUBAN, INDIAN, KOREAN, AND OTHER ETHNIC GROUPS IS, IN PART, A RESULT OF A VARIETY OF SOCIAL AND DEMOGRAPHIC FACTORS, INCLUDING INCREASED MIGRATION OF THESE ETHNIC GROUPS TO THE UNITED STATES. IN ADDITION, OUR SUCCESSES AGAINST TRADITIONAL ORGANIZED CRIME GROUPS IN SUCH CASES AS THE "PIZZA CONNECTION" AND THE "COMMISSION" INVESTIGATIONS HAS CREATED A VOID THAT THESE EMERGING CRIMINAL ENTERPRISES HAVE QUICKLY MOVED TO FILL IN FURTHERANCE OF THEIR ENDEAVORS TO EXPAND THE SCOPE AND INFLUENCE OF THEIR ORGANIZATIONS.

AS I HAVE ALREADY NOTED, THESE EMERGING CRIMINAL ENTERPRISES, SOME OF WHICH ARE INTERNATIONAL IN SCOPE, ARE ENGAGED IN THE ENTIRE RANGE OF ORGANIZED CRIMINAL ACTIVITY. FBI INVESTIGATIONS HAVE DOCUMENTED THEIR INVOLVEMENT IN NARCOTICS TRAFFICKING, GAMBLING, CONTRACT MURDERS, EXTORTION OF INDIVIDUALS

AND BUSINESSES, PROSTITUTION AND EVEN, IN THE CASE OF THE CHINESE, CUBAN AND INDIAN SIKH GROUPS, POLITICAL ASSASSINATION. THESE ORGANIZATIONS EMPLOY VIOLENCE -- MURDER, ARSON, EXTORTION, ASSAULTS -- AS THEIR METHOD OF OPERATION AND COMPETITION AMONG THEMSELVES. THEY COMBINE MODERN TECHNOLOGY AND INTRICATE CODES TO AVOID LAW ENFORCEMENT DEFECTION. SOME HAVE SOPHISTICATED STRUCTURES THAT RESEMBLE MODERN LEGITIMATE CORPORATE AND GOVERNMENTAL ORGANIZATIONS. THE FBI HAS FOUND THAT, LIKE TRADITIONAL ORGANIZED CRIMINAL CONGLOMERATES, THESE EMERGING CRIMINAL ENTERPRISES OFTEN USE THE FINANCIAL PROCEEDS FROM ONE CRIMINAL ACTIVITY TO PROVIDE THE INVESTMENT CAPITAL REQUIRED TO EXPAND INTO OTHER ILLEGITIMATE BUSINESS. IT IS NOT UNUSUAL TO FIND THAT PROCEEDS OF ONE PART OF THE CRIMINAL ENTERPRISE ARE USED TO SUBSIDIZE ANOTHER SEGMENT OF THE OPERATIONS SO THAT THE SUBSIDIZED SEGMENT MAY UNDERCUT THE COMPETITION.

OUR INVESTIGATIONS AND INTELLIGENCE DATA SHOW THAT THESE GROUPS ARE COMPLEX, MULTIFACETED CRIMINAL BUSINESSES. THE FBI IS RESPONDING TO THE CRIMINAL THREAT POSED BY THESE EMERGING ETHNIC ENTERPRISES USING THE SAME STRATEGY AND TOOLS THAT HAVE PROVEN TO BE EFFECTIVE AGAINST TRADITIONAL ORGANIZED CRIME GROUPS. SOPHISTICATED PHYSICAL AND ELECTRONIC SURVEILLANCE AND UNDERCOVER OPERATIONS WHICH PENETRATE THE INNER CIRCLE OF THE ENTERPRISE ARE SOME OF THE TECHNIQUES EMPLOYED. THIS ENTERPRISE APPROACH ALLOWS US TO ATTACK THE ENTIRE ORGANIZATION AND TO EFFECTIVELY FOCUS OUR RESOURCES AND EFFORTS WHERE THEY WILL HAVE THE MOST IMPACT -- ON THE CORPORATE DIRECTORS, EXECUTIVES, MANAGERS AND SUPERVISORS OF THE ENTERPRISE.

MANY OF THESE FINDINGS, INCLUDING THE ROLE OF THESE ORGANIZATIONS IN DRUG TRAFFICKING AND THE APPLICATION OF THE ENTERPRISE APPROACH, ARE VIVIDLY ILLUSTRATED BY THE SUCCESSFUL INVESTIGATION OF THE UNITED BAMBOO ORGANIZATION, A JOINT EFFORT OF THE FBI AND THE NEW YORK CITY POLICE DEPARTMENT. UNITED BAMBOO BEGAN IN TAIWAN, WHERE IT HAS ITS INTERNATIONAL HEADQUARTERS, ALMOST THIRTY YEARS AGO. IT HAS GROWN INTO A MULTINATIONAL CRIMINAL ENTERPRISE WITH OPERATIONS IN HOLLAND, THAILAND, THE PHILIPPINES, JAPAN, HONG KONG, SOUTH AMERICA, AND THE UNITED STATES. IN THE UNITED STATES, IT IS ACTIVE IN HAWAII, SAN FRANCISCO, LOS ANGELES, LAS VEGAS, CHICAGO, DENVER, HOUSTON, AND NEW YORK. IN ADDITION TO HEROIN, COCAINE AND MARIJUANA TRAFFICKING, UNITED BAMBOO ENGAGES IN GAMBLING, PROSTITUTION, EXTORTION, CONTRACT MURDERS AND POLITICAL ASSASSINATION.

MIMICKING LEGITIMATE CORPORATE STRUCTURE, UNITED BAMBOO'S LOCAL BOSSES ARE RESPONSIBLE TO THE NATIONAL LEADERSHIP WHICH, IN TURN, RECEIVES DIRECTION FROM THE INTERNATIONAL LEADER IN TAIWAN. PROCEEDS OF THE CRIMINAL ENTERPRISE ARE USED TO FURTHER OTHER ACTIVITIES OF THE ENTERPRISE AND TO PROTECT AND INSULATE THE MEMBERSHIP. FOR EXAMPLE, PROCEEDS ARE DEPOSITED INTO COMMON NATIONAL AND INTERNATIONAL FUNDS WHICH ARE USED TO PAY LEGAL FEES, PROVIDE BAIL, SUPPORT FAMILIES OF INCARCERATED MEMBERS, PURCHASE WEAPONS AND BOGUS PASSPORTS AND PROVIDE OTHER ASSISTANCE TO MEMBERS IN FLIGHT FROM LAW ENFORCEMENT.

IN APRIL OF 1985, THE LEADER OF THE UNITED BAMBOO IN THE UNITED STATES, CHANG AN LO, ALSO KNOWN AS WHITE WOLF, CONTACTED A SOURCE AND TOLD OF PLANS OF THE UNITED BAMBOO TO

EXPAND INTO THE NEW YORK AREA. THIS SOURCE HAD BEEN INTRODUCED TO WHITE WOLF AND OTHER LEADERS OF UNITED BAMBOO IN OCTOBER OF 1984. THE SOURCE CONTACTED THE NEW YORK CITY POLICE DEPARTMENT AND THE MATTER WAS SUBSEQUENTLY REFERRED TO A JOINT FBI NEW YORK CITY POLICE DEPARTMENT TASK FORCE. UNDERCOVER OFFICERS AND AGENTS WERE INTRODUCED INTO THE OPERATION AND THEY PENETRATED AND INFILTRATED THE HIGHEST LEVELS OF THE UNITED BAMBOO. IN FACT, TWO OF THOSE UNDERCOVER OFFICERS WERE INITIATED INTO UNITED BAMBOO IN A SECRET CEREMONY WHICH WAS VIDEOTAPED BY THE TASK FORCE.

EARLY IN THE OPERATION, WHITE WOLF AND HIS ASSOCIATES APPROACHED THE UNDERCOVER OFFICERS TO DISCUSS DISTRIBUTING NARCOTICS. THEY EXPLAINED THAT THEIR HEROIN WAS BACKPACKED FROM THE GOLDEN TRIANGLE TO NORTHERN THAILAND AND THEN SHIPPED VIA BANGKOK, TO TAPEI AND HONG KONG. BRIBES INSURED THAT THE SHIPMENTS PROCEEDED UNDISTURBED THROUGH THE DEPARTURE AND ARRIVAL POINTS. IN TAPEI AND HONG KONG, THE HEROIN WAS DELIVERED TO MIDDLEMEN AND LEFT UNITED BAMBOO CONTROL. WHITE WOLF WAS SEEKING TO CUT OUT THE MIDDLEMAN AND TO ESTABLISH A DIRECT DISTRIBUTION LINK INTO NEW YORK. THESE DISCUSSIONS LED TO THE DEFENDANTS BEING CHARGED AND CONVICTED OF CONSPIRACY TO IMPORT AND DISTRIBUTE 300 KILOGRAMS OF CHINESE WHITE HEROIN.

DURING THE OPERATION, THE UNDERCOVER AGENTS PURCHASED A POUND OF QUALITY CHINESE WHITE HEROIN FOR $38,000. LATER DELIVERIES WERE OFFERED FOR AS LITTLE AS $10,000 PER KILO IF THE UNDERCOVER AGENTS SUPPLIED THE TRANSPORTATION. ONE OF WHITE WOLF'S ASSOCIATES, CHEN CHIH YI, ALSO KNOWN AS YELLOW BIRD, WHO

IS THE FINANCIAL DIRECTOR FOR UNITED BAMBOO IN THE UNITED STATES, SUGGESTED THAT TO ENABLE THE NEW DISTRIBUTORS TO GAIN CONTROL OF THE MARKET, HEROIN COULD BE SUPPLIED AT 60% DISCOUNT OVER THEIR ALREADY LOW PRICE. IT IS NOTABLE THAT AT THE TIME THE PRICE OF SIMILAR QUALITY SOUTHWEST ASIAN HEROIN WAS $210,000 PER KILO. SMALL AMOUNTS OF COCAINE AND 100 POUNDS OF MARIJUANA WERE ALSO PURCHASED.

AS A RESULT OF THIS INVESTIGATION, 14 MEMBERS AND ASSOCIATES OF UNITED BAMBOO IN THE UNITED STATES WERE CONVICTED AND SENTENCED TO LENGTHY PRISON TERMS, INCLUDING THE LEADERSHIP OF THE ENTERPRISE IN THE UNITED STATES. UNITED BAMBOO'S OPERATIONS HERE WERE LEFT IN DISARRAY AND A SIGNIFICANT NEW INTERNATIONAL DISTRIBUTION NETWORK WAS DISMANTLED AT ITS INCEPTION. AS A RESULT OF THIS INVESTIGATION, LAW ENFORCEMENT AT ALL LEVELS IN THE NEW YORK AREA HAS FOCUSED ON THE THREAT POSED BY GROUPS SEEKING TO IMPORT AND DISTRIBUTE THIS DEADLY PRODUCT.

IN ADDITION TO OUR SUCCESS AGAINST THE UNITED BAMBOO, THE FBI, WORKING JOINTLY WITH THE DRUG ENFORCEMENT ADMINISTRATION, THE NEW YORK CITY POLICE DEPARTMENT AND THE OFFICE OF THE SPECIAL NARCOTICS PROSECUTOR STERLING JOHNSON UNCOVERED A NETWORK OF GHANIAN NATIONALS WHO WERE RESPONSIBLE FOR THE IMPORTATION OF OVER TEN KILOS OF HEROIN A WEEK. THIS HEROIN WAS DISTRIBUTED IN THE HARLEM AND SOUTH BRONX AREAS OF NEW YORK. THE INVESTIGATION CONCLUDED WITH THE ARREST OF OVER FORTY INDIVIDUALS, MOSTLY GHANIAN NATIONALS, WHO ARE AWAITING TRIAL.

RECENTLY, AN INDIAN NATIONAL IMPORTATION AND DISTRIBUTION SCHEME WAS THWARTED IN ITS EMBRYONIC STAGE WHEN FOUR

INDIAN NATIONALS WERE ARRESTED AND SEVENTEEN KILOS OF HEROIN WERE SEIZED. THIS GROUP UTILIZED A BELGIAN DIPLOMAT AS A COURIER AND ITS PRIMARY MEETING POINTS WERE IN LONDON AND MONTREAL. THIS INVESTIGATION, WHICH WAS A JOINT EFFORT OF THE FBI, DEA AND THE NEW YORK CITY POLICE DEPARTMENT, RECEIVED CLOSE COOPERATION FROM HER MAJESTY'S CUSTOM AND EXCISE SERVICE IN LONDON AND THE ROYAL CANADIAN MOUNTED POLICE IN CANADA.

IN ANOTHER CASE, A GROUP OF SIKH TERRORISTS IN MONTREAL OFFERED AN FBI UNDERCOVER AGENT A CONTINUING SUPPLY OF HEROIN TO DISTRIBUTE IN NEW YORK. THE UNDERCOVER AGENT WAS TO LEND HIS EXPERTISE TO THE BOMBING OF AN AIR INDIA JET. CLOSE COOPERATION WITH QUEBEC PROVINCIAL POLICE AND THE ROYAL CANADIAN MOUNTED POLICE MADE POSSIBLE THE ARREST AND CONVICTION OF THE TWO LEADERS OF THE ORGANIZATION. THESE TWO NARCO-TERRORISTS ARE CURRENTLY SERVING LIKE SENTENCES IN CANADA.

MR CHAIRMAN, WHILE ADDITIONAL LAW ENFORCEMENT RESOURCES WILL HELP US TO CONTINUE TO WIN THE BATTLES, THE WAR AGAINST DRUGS IN THE UNITED STATES WILL NEVER BE WON UNTIL THERE IS A REDUCTION IN THE DEMAND. JUST AS THE SUPPLY OF A PRODUCT IN THE LEGITIMATE MARKET PLACE EXPANDS TO MEET DEMAND, SO DOES THE SUPPLY OF HEROIN AND OTHER DRUGS. LAW ENFORCEMENT CAN DISRUPT THE SUPPLY NETWORKS, RAISE THE OPERATING COST, AND SQUEEZE THE PROFIT MARGINS FOR THESE GROUPS. HOWEVER, AS THE EMERGENCE OF THESE NEW CRIMINAL ENTERPRISES DEMONSTRATES, WHENEVER DEMAND EXISTS FOR ILLICIT PRODUCTS NEW CRIMINAL ENTERPRISES WILL BE CREATED TO FILL THE VOID LEFT BY THE DISMANTLING OF THE OLD NETWORKS. IN SUMMARY, MR. CHAIRMAN, LAW ENFORCEMENT HAS WON SOME

BATTLES BUT THE KEY TO WINNING THE WAR IS A DEMAND REDUCTION PROGRAM DESIGNED TO EDUCATE THE YOUTH OF THE UNITED STATES ABOUT THE FOLLY OF DRUG USE.

MR. CHAIRMAN, THIS COMPLETES MY STATEMENT AND I WILL BE HAPPY TO ANSWER ANY QUESTIONS THAT YOU MAY HAVE.

IMMIGRATION AND NATURALIZATION SERVICE

COMMISSIONER'S TESTIMONY

BEFORE THE

SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

U.S. HOUSE OF REPRESENTATIVES

CONCERNING

EMERGING ETHNIC CRIME GROUP
INVOLVEMENT IN HEROIN TRAFFICKING

FRIDAY, JULY 10, 1987

10:00 A.M.

JFK INTERNATIONAL ARRIVALS TERMINAL
NEW YORK, NEW YORK

STATEMENT OF THE COMMISSIONER, PRESENTED BY WALTER CONNERY, ASSISTANT DISTRICT DIRECTOR FOR INVESTIGATIONS, NEW YORK, NEW YORK

BEFORE THE SELECT COMMITTEE ON NARCOTICS ABUSE AND CONTROL

Mr. Chairman and Members of the Select Committee:

I am pleased to have the opportunity to be here today on behalf of Commissioner Nelson. Assistant Commissioner for Investigations, John Shaw, as you will recall, testified before this Committee on March 18 regarding implementation of the Anti-Drug Abuse Act of 1986. As you know, that important piece of legislation has had a dramatic impact upon the INS under Subtitle M of the Narcotics Traffickers Deportation Act.

I would like to first speak briefly about where the INS has or has not been in the arena of narcotics enforcement and then tell you where we are definitely headed pursuant to Subtitle M of the Act.

In the past ten years, the Investigations Division of the Immigration and Naturalization Service has undergone extensive changes. A steadily declining level of resources coupled with substantial increases in workload for interior enforcement of our nation's immigration laws has forced

Investigations to prioritize through a case management system. Criminal aliens, and especially those involved in narcotics trafficking, enjoy one of the highest priorities within that system.

Although somewhat slow out of the starting gate on narcotics enforcement, as Mr. Shaw told you in March, we are committed to this most important mission within certain resource limitations. Fortunately, the Immigration Reform and Control Act of 1986 (IRCA) does provide substantial resources for interior enforcement which will allow the Investigations Division to further enhance its efforts.

As I look at my esteemed colleagues from the other enforcement agencies represented at today's hearing, I can't help but feel that perhaps our accomplishments in the area of narcotics enforcement are somewhat dwarfed by theirs. However, even if true, this is not a cause for concern for my agency for three reasons:

1. DEA, the FBI and others represented today have primary jurisdiction in this area whereas INS does not. We understand this and are comfortable with our support role.

2. We firmly believe that through the addition of resources, our contribution to the war on narcotics will increase accordingly.

3. As echoed in the theme of today's hearing, the significance of the INS contribution will take on a whole new meaning.

It is our contention that the tremendous successes that have been achieved against traditional organized crime have created a large void which emerging ethnic crime groups are only too happy to fill. It has been stated in the recent past by responsible officials that while three years ago traditional crime families controlled approximately 90% of the heroin available in New York, today they are believed to control less than half of that trade.

In the great American tradition of capitalizing on supply and demand economics, those persons Peter Kerr of the New York Times referred to as the "United Nations of drug smugglers" have rapidly escalated their criminal activities. As we know, the demand for illicit narcotics has not decreased; yet, ironically enough, our own victories in this war have further encouraged non-traditional organized crime groups to increase their involvement. I would submit to you today that this "United Nations of drug smugglers" includes Chinese, Pakistanis, Indians, Iranians, Nigerians, Israelis, Colombians, Cubans, and Jamaicans. This is by no means an exhaustive list but all of these ethnic crime groups share a degree of organizational structure which rivals that of the Italian-American Mafia families.

I would be remiss if I did not point out that the vast majority of the ethnic groups I mentioned above are law abiding individuals and a welcome addition to our great country when they have entered through lawful means. However, that segment of these nationalities and others who abuse our land of opportunity present a real threat to our national security and we will meet this challenge to the best of our ability. I know I speak for the Commissioner when I say that we are committed to sending a strong message to those individuals, namely if you commit crimes, you will be returned to your own country as rapidly as lawful process allows. In essence, these people are giving the Statue of Liberty a slap in the face and defiling everything she stands for.

In March, Mr. Chairman, you pledged the assistance of the committee to INS in a cooperative effort to ensure our maximum contribution to the war on narcotics. I must tell you that the Commissioner, Mr. Shaw and myself are extremely gratified by the offer of assistance. Since that time, Ed Jurith and other members of your staff have labored tirelessly to effect legislative change in such sorely needed areas as clarification of statutory authority for Immigration officers. We ate most appreciative and ask that those efforts continue through bi-partisan support of other measures such as those introduced in the Senate by Mr. Chiles (S.972 thru S.976) who, as you know, represents a state with significant problems brought on by criminal aliens.

In September of 1986, Raymond M. Kisor, the Associate Commissioner for Enforcement of the Immigration and Naturalization Service (INS), put together a compendium of Service efforts against ethnic crime groups entitled "The Newest Criminals: The Emergence of Non-Traditional Organized Ethnic Crime Groups and INS' Role in Combatting Them." I have attached a copy of this study to my testimony. We consider this paper to be a blueprint for our future efforts in striving together with other federal, state and local law enforcement agencies toward containment of this disruptive new crime wave. We consider ourselves to be on the cutting edge of deterring emerging ethnic criminal groups' involvement in narcotics trafficking. This is the very nature of our day-to-day business. We are perhaps the only law enforcement agency that assorted ethnic groups must deal with simply to enter or remain in the country. A tremendous amount of intelligence information can be generated for narcotics enforcement by virtue of the fact that we deal with the members of the community on a daily basis.

Secondly, many of these groups routinely commit violations of our administrative and/or criminal laws as they structure their criminal enterprise and gain a foothold within our society. It is virtually impossible for a narcotics cartel not to commit immigration transgressions during the normal course of business of establishing identities and a domicile in the United States. Couriers are often smuggled into this country or provided counterfeit travel documents to attempt entry at U.S. ports. Many of the organizational principals engage in immigration fraud and attempted bribery in their efforts to remain here.

The United States is, of course, the most lucrative country in the world for these individuals to ply their trade. Not only do many of the major traffickers want to get their assets and contraband into America, but themselves and their associates as well. Full utilization of INS administrative and criminal provisions provides significant new tools to penetrate these organizations, and enhance prosecutorial efforts. Just as many of the upper echelon principals in traditional crime families have been "untouchable" for primary violations, but reached through mail fraud or tax violations, so too can many of these new criminals be thwarted by use of the immigration laws. A case in point is a major ethnic crime group leader in New York who escaped government sanction until our agents, in conjunction with another federal agency, arrested him for concealing past criminal arrests in his naturalization application. You should not be surprised to learn that this individual's major concern after arrest was not the pending felony charge, but the denaturalization proceedings and deportation to his native country. Absent effective INS action, the U.S. serves as a safe haven for many of these criminals who cannot return to their own country for fear of legal retribution for past misdeeds.

As you know, traditional organized crime quite often runs the gamut from gambling to guns, from narcotics to extortion. So too do these emerging ethnic crime groups engage in a variety of criminal acts. I encourage the law enforcement community to work with our agents to uncover violations of such diverse statutes as importation of alien prostitutes or illegal aliens in possession of a firearm. Even our misdemeanor charges, such as failure to carry alien registration, can be skillfully utilized by investigators and prosecutors to justify detention, elicit cooperation, etc.

In America, organized crime has become synonymous with violence. I would submit to you that many of these emerging groups take violence to a new level of ruthlessness. For instance, the state of New York is currently plagued by extensive Jamaican organized crime activity. In fact, this activity extends up and down the East Coast, touching Buffalo, Boston, Hartford, Newark, Philadelphia, Baltimore, Washington, and of course, Miami. Not only are those aliens killing each other in their sectarian gang wars, but innocent bystanders as well. Investigators attribute more than 150 South Florida murders to Jamaican gangs; their activity is every bit as strong in the greater New York area. INS Headquarters is currently looking toward mounting a national emphasis on the Jamaican problem under the auspices of the Organized Crime Drug Enforcement Task Force.

Approximately 130 years have passed since an immigrant from Canton Province moved into an apartment on Mott Street and opened a shop on Park Row. By 1880, approximately 700 Chinese immigrants lived in the area. Shortly thereafter, the 'Chinese Exclusion Act' barred all Chinese women from admission to the United States. As a result, by 1910 the neighborhood was populated by approximately 10,000 men, most of whom came from a poor section of Canton called Toi Shan.

A combination grocery store and gambling hall on Pell Street became the headquarters of the Hip Sing Tong. The Hip Sing had originally been the tong, or protective association, of the workingman. The Hip Sing sponsored gambling houses on Pell Street, as did another rival tong, the On Leong which operated on Mott Street. To protect interests, each tong fielded an army of Boo Hoy Dow, or warriors. Chinatown was divided by two armies and war began.

In 1965 the government opened its doors to Chinese immigration to the United States. Thousands fled the slums of Hong Kong and poured into Chinatown. Men worked in restaraunts and women in garment shops. Young teenagers drifted into gangs, entering the ranks of the tong armies. Lesser known tongs and their armies sprouted and Chinatown became even more divided. War increased, along with more intricate criminal activities.

Today's Chinese population in New York is close to 300,000 with large populations in all of the other boroughs. Chinese organized crime is well seeded, efficient and very active in narcotic trafficking. Heroin, primarily from the Golden Triangle, is smuggled into New York by Chinese couriers on a steady basis. A recent DEA estimate states that approximately 40% of the heroin in New York is the result of Chinese smuggling.

A steady flow of aliens from the Peoples Republic of China, specifically the Fukien Province, has become prevalent. The standard fee to a smuggler is now $23,000. Aliens are contracting with alien smuggling organizations and entering the United States in violation of immigration law. Intelligence indicates that a majority of the Asian heroin is being smuggled into New York by mules from the Fukien Province, possibly in payment of a smuggling debt.

Major investigations, conducted by the New York District Office, Investigations Division, into Chinese organized crime have indicated that Chinese criminals engaged in immigration violations, also are prime targets and/or defendants in heroin investigations.

In 1997, Hong Kong will fall under the control of the Peoples Republic. Today, more and more criminal aliens are fleeing Hong Kong and continuing their criminal enterprises in New York. Violence and crime in the Chinese community has escalated to an all time high. In existence today, within the Chinese community, are numerous youth groups, all with separate loyalties. Turf battles are continuously fought, resulting in a soaring homicide and assault rate. Gang members that were active with triads in Hong Kong and Taiwan are being smuggled into the United States to continue to ply their trade in the streets of New York. Competition within the gangs regarding the importation and sale of heroin has appeared.

At this point, I would like to advise the Committee of two experimental programs that INS is conducting in the New York - Newark area in order to attack the problem of emerging criminal groups. As evidenced by the statistics detailed below, these innovative concepts have proven to be quite successful. The first is largely a support/intelligence function while the second is strictly operational.

Extensive work by our Newark District Office in the northern New Jersey area has disclosed that Colombian crime families have more or less set territorial boundaries in both New York and New Jersey. These groups are organized in accordance with their geographical roots in Colombia. The New Jersey families interact with the New York families for exchange of small quantities of narcotics but operate independently for the most part with procurement and distribution of narcotics within their own areas. For northern New Jersey, the narcotics are ordinarily obtained through South Florida and conveyed to New Jersey via Interstate 95. The New Jersey families will then distribute exclusively in New Jersey - they do not ordinarily infringe upon their rivals' turf.

In the New York area, the Colombian families have begun to insulate themselves to the extent that lower level soldiers or dealers are recruited from the ranks of Dominican Republic aliens. The Colombians, as one of the most established and best known emerging ethnic crime groups, parallel traditional families to the extent that outsiders may be utilized to perform precarious low level work.

As mentioned earlier, steadily declining resources have hampered INS interior enforcement efforts in the past. This factor, as well as a multi-faceted mission, has precluded a concerted approach against only criminal aliens. Nevertheless, individual efforts and initiatives are noteworthy.

Historical

In early 1984, an INS special agent was requested to assist the Newark office of the DEA in identifying members of the SAN CLEMENTE family (Colombians) who were under investigation for narcotics importation/distribution in the Hudson County area. The files were assembled, secured and reviewed and pertinent biographic data, including photographs, were made available to the investigating officers. Charts were prepared in which the familial ties were arranged for clarity, reflecting marital links and generational order.

That investigation was concluded in early June 1984 by arrests of a score of family members and associates. The Service was not advised beforehand of the operation and was not included in the sweeps; accounts of the operation were read in the local newspaper. Follow-up investigations to determine amenability to deportation of several of the arrestees were effected separately by INS agents.

As a result of that investigation, however, personal contacts were developed in the Hudson County Prosecutor's Office, Narcotics Strike Force. When they subsequently became involved in the investigation of the

CARDONA/CASTANO/BLANDON group (Colombians) senior officers approached our agent for the sort of intelligence information on the subjects as had been provided in the SAN CLEMENTE case.

When the operation was conducted, 23 Service officers of the Newark District participated in the raids which netted more than five kilograms of cocaine and more than a quarter million dollars in cash. Illegal aliens, including prior deportation cases, and several permanent residents who subsequently became subject to deportation, were a result of that operation.

Since the operation against the CARDONA group, Service officers have been included in almost every Hudson County investigation and operation in which foreign nationals have been identified. INS has contributed and/or participated in narcotics operations in which more than 800 kilograms of cocaine have been seized following investigations under the aegis of the Hudson County Prosecutor's Office alone in the past three years.

Separately, contacts were effected in other counties in the State of New Jersey. Responding to police calls, inquiries and follow-up of cases cited in local news accounts, our agent (who is present today) has established a lasting liaison with Passaic, Bergen, Union, Essex, Somerset and

Morris Counties' prosecutors offices, in many of which separate narcotics units exist. He is regularly involved in the investigations and operations in Passaic, Bergen and Somerset Counties. Additional personal contacts have been made through word-of-mouth and referral and routine liaison is now effected with the New Jersey State Police Narcotics Units and the State Commission of Investigation, the principal investigative arm of the state legislature.

In this same time frame, another INS Special Agent has established close working ties with the New Jersey State Police patrol sector headquarters in Salem, Glousester and Camden Counties, the counties through which the New Jersey Turnpike, U.S. Route 40 and Interstate 295 pass, better known as "Cocaine Alley." Seizures by troopers of narcotics bound for the Metropolitan New York-New Jersey area are followed by this agent through the prison and court systems; his reports of deportable aliens have provided invaluable information on shipments destined to families and groups in North Jersey.

Finally, a third INS agent, a resident in Atlantic County, has effected liaison with police agencies in the Atlantic City area, increasingly the target of Colombian families seeking to turn narcotics profits in the booming casino trade and clinetele. This officer's efforts have resulted in federal criminal prosecutions for sham marriage rings and document fraud against alien trafficking principals as well as vital information in drug trafficking in Atlantic City and environs.

Activities

Our Newark District's role in narcotics investigation has been largely reactive but the development of informants from among deportable aliens encountered in such investigations promises a proactive role through the Organized Crime Drug Enforcement Task Force which we recently joined as a full participant.

An inquiring police agency requests information on individual(s) whom they have already targeted as narcotics violators from their own sources. Service records are canvassed and all relating information on the individuals is assembled and reviewed; family and associational charts are then initiated, coordinating the file data and the local agency's information from surveillances and other covert means as well as informants provided by the agency or the Service.

If pen registers or other electronic monitoring is conducted, the family charts are expanded and background data on the newly identified members are assembled. Service officers have also been instrumental in determining the more obscure relationships or special circumstances of individuals from analysis of transcripts of conversations or actual participation in electronic intercepts.

In one Hudson County case, only a partial name could be secured from the county's efforts but Service records were searched and analyzed and revealed, correctly, the members and relationships of a large family organization. The culminating raid in that case resulted in the seizure of fifteen kilograms of cocaine.

There have been several cases in which Service interviews of aliens pending immigration benefits have been useful in eliciting vital information in narcotics investigations. The casual, routine interview on seemingly innocuous grounds, has yielded intelligence of immense value in ongoing investigations of families and associations. In the URIBE case, wherein 100 kilograms of cocaine were seized by the Passaic County Prosecutor's Office, a fugitive was induced by subterfuge into the Newark District office and there arrested, while expecting a routine interview on a suspect petition.

Service files contain an immense wealth of personal data, some of which is buried in foreign documents submitted to the Service, e.g., birth records, marriage certificates, etc.,. In one case, a link was established between two families because one couple had been the godparents to another couple's child in Colombia; the birth certificate revealed the relationship. In another case, two families from disparate regions of Colombia had immigrated to the same Jersey City address in the same time period. In both cases, the conspiracy count was at least in part sustained by this information that their association had been more than casual. United States mariage records, listing ceremony and application witnesses, copies on file with the Service, have also been of immense value.

The Service has also played a role in improving the liaison between various county and state agencies. Through oversight and, sometimes through competition, county agencies appear jealous of their information and sources. However, the county agencies routinely involve the Service for background information on targets, records of which are maintained by our agent. One agency can be informed that another inquired on the same individual(s) and be provided a referral name and telephone number.

Such inquiries and copies of all INS Records of Deportable Aliens (Service Form I-213) are collated with information from the New Jersey State Bureau of Identification (SBI) into indices to which our agent now refers with any new inquiry. Ideally, this index will be on computer to allow for errors in name order, birth-date, etc., but it has already proven useful in allaying duplication of effort by different counties targeting the same person.

Our agent has also assisted other investigative agencies by securing public record information or interviewing tenants without tipping involved parties to interest by narcotics units. In many neighborhoods, the appearance of a Service officer is not viewed as unusual or particularly threatening (except to illegal aliens) and considerable information on apartment lay-outs or other persons present has been secured in this fashion.

Potential Contributions

Through the individual contributions of our aforementioned special agents (and other District officers who have become increasingly involved in the various state court systems and prison facilities in tracking convicted felons and narcotics offenders), a defacto statewide coordination of active investigations involving foreign nationals - Colombians, Dominicans, Cubans, especially - is emerging within the Newark District. The services and information available from the INS are becoming better-known to the agencies conducting long-term investigations and are more routinely called upon for background and associational data.

Firm liaison with the court systems in the various counties has and will continue to provide additional referrals of aliens amenable to deportation as a result of convictions, who were not previously known to the Service.

Our agent routinely secures the foreign addresses from the files or interviews of aliens referred by the various agencies in the belief that an index of such addresses, cross-indexed to narcotics families, will provide insights and valuable information in anticipating narcotics-related activity. It appears at this writing that the New Jersey activity is largely confined to Colombian nationals from the Cali and Medillin (including Envigado and Itagui) areas of that nation; arrests or inquiries on natives of other areas, e.g., Pereira, Bogota, Barranquilla, etc., are relatively few in New Jersey except for shipments en route to New York and New England seized on "Cocaine Alley."

The liaison with the New Jersey State Commission of Investigation holds the promise of full Service cooperation and some input in any revamping of state intelligence efforts against these groups which may be directed by legislation at Trenton. The SCI has expressed immense interest in the indices maintained by our agent and has the facilities to supplement data with the records of innumerable state agencies.

In my own District, Project Intercept was initiated in January of 1987 in order to surveil domestic flights arriving at New York area airports for alien smuggling activity. Intelligence had been gathered from numerous sources indicating that recently smuggled aliens from the Southern and Western regions were boarding domestic flights enroute to New York City seeking employment within the New York metropolitan area. While sporadic checks have been conducted on domestic flights by INS agents over the past two years, it was determined that establishing this procedure as a discrete function would be an efficient and productive means of meeting the goals of the unit. The initial objective of Project Intercept was to intercept smuggling loads arriving at New York Airports, generate Category I alien smuggling and prosecution cases as well as inter-regional task force investigations, and to identify new alien smuggling organizations.

However, as the program continued, a nexus was found to exist between alien smuggling and drug smuggling operations at the New York area airports. Smuggled aliens were being arrested and found to be in possession of controlled dangerous substances and/or large amounts of cash. It was determined that aliens were being recruited abroad to engage in drug trafficking activity in the United States and that aliens, acting as drug and money couriers, were being smuggled into the United States.

Other law enforcement agencies, specifically the Drug Enforcement Administration and the Port Authority Police Department were already conducting investigations at New York area airports, attempting to obtain information relating to drug smuggling operations, interdicting drugs and drug-related currency. The majority of individuals arrested by DEA, or from whom large amounts of currency were seized, were aliens. In order to prevent any jurisdictional problems and a duplication of effort, and to maximize the interchange of information, a task force of INS, DEA and Port Authority Police Officers was created.

During the first six months of operation, Project Intercept has proven to be a highly successful and productive venture, which has drawn praise from Assistant U.S. Attorney Charles ROSE, Chief of the Narcotics Unit of the Eastern District of New York, who has also indicated a strong commitment to prosecute violations of the pertinent immigration statutes. The task force, which is composed of three(3) INS agents, four(4) DEA agents, and four(4) Port Authority Police Officers, has thus far been responsible for the seizure of 2,403.4 ounces of cocaine, with an estimated value of $21,312,000, and $922,944 in drug-related currency, as well as the detection of seventy-seven(77) deportable aliens. Eleven(11) individuals have been criminally arrested for the possession of cocaine and have either been convicted or are currently being prosecuted at the Eastern District of New

York. A number of those individuals also face deportation charges based on those convictions. The large amount of drug-related currency seized is due, in part, to the expansion of Project Intercept to cover outgoing domestic flights as well as incoming flights. It was determined that while drugs were being smuggled into the New York City area by aliens aboard domestic flights, the currency generated by the drug sales was being taken out of the New York area by aliens aboard domestic flight. The ability to seize this currency under the Federal drug statutes hampers both the courier and drug supplier and makes Project Intercept a strong, viable deterrent. It is particularly germane to note that the initial interdictions were predicated upon INS authority and that our participation was crucial to the success of the task force.

In essence, Project Intercept was initiated as a response to the flow of smuggled aliens into the New York metropolitan area. It has evolved into a productive means of controlling this flow, as well as a means of aiding in the interdiction of drugs and drug-related currency into and out of the New York City area. Its effectiveness has been proven and it has increased law enforcement exposure for INS at New York airports resulting in the establishment of a coordinated effort to halt the flow of drugs into the New York area airports.

While no particular group is targeted by Project Intercept as a "high risk" group, the ethnic groups most often encountered during Project Intercept have been nationals of Colombia, Jamaica, and the Dominican Republic. Most recently Nigerian nationals appear to be playing a bigger role in the distribution of narcotics within the United States. Of the twelve(12) defendants in the eleven criminal prosecutions, there are seven(7) Colombians, two(2) Dominicans, two(2) Jamaicans, and one(1) Nigerian. A list of seizures and arrests resulting from Project Intercept appears below. It should be noted that although INS authority was instrumental in all stops which resulted in arrests and seizures, the money and drugs confiscated were processed through DEA facilities due to operational considerations.

Finally, it should be noted that more than 60 smuggled aliens, not involved in drug or money transportation were encountered travelling by air on domestic flights.

A list of Project Intercept seizures and arrests follows:

VIOLATOR	INS STATUS	SEIZURE
CERVANTES, R.	NATZ USC *	3118gr COCAINE
WILLIAM, F.	LPR **	$ 26,365 (US)
RODRIGUEZ, M.	ILLEGAL	1066gr COCAINE
STEADMAN, T.	LPR	1341gr COCAINE
DONALDS, K.	ILLEGAL	1117gr COCAINE
GREEN, E.	LPR	$ 8,000 (US)
BOYD, P.	ILLEGAL	$ 24,290 (US)
STERLING, M.	LPR	$ 26,400 (US)
COURTNEY, J.	LPR	$ 46,495 (US)
ABREU, C.	LPR	3986gr COCAINE
CANO, C.	ILLEGAL	$ 39,930 (US)
RIVERA, M.	ILLEGAL	$ 15,880 (US)
LIZARDO, R.	LPR	$ 19,820 (US)
HENRY, G.	ILLEGAL	$ 40,410 (US)
SALAS, J.	ILLEGAL	1114gr COCAINE
GALINDO, S.	ILLEGAL	5540gr COCAINE
MUIRHEAD, J.	LPR	$ 18,007 (US)
(SIM, S.)	ILLEGAL	
GAIINDO, S.	ILLEGAL	6654gr COCAINE
(SALAS, J.)	ILLEGAL	
CASTRO, V.	LPR	$ 19,400 (US)
ROBINSON, N.	ILLEGAL	$ 22,000 (US)
BENJUMEA, A.	NATZ USC	$ 23,000 (US)
GRISALES, N.	ILLEGAL	$ 35,390 (US)
SANDOVAL, J.	LPR	$ 20,656 (US)

POVDA, D.	ILLEGAL	$ 30,000 (US)
MATOS, C.	UNK	$ 65,000 (US) + 1200gr COCAINE
MOMOH	B-2 ***	$ 6,000 (US) + 3lbs HEROIN
BETANCUR, M.	ILLEGAL	$ 9,293 (US)
ANDERSON, D.	LPR	$ 71,980 (US)
GAUIRIA, O.	ILLEGAL	$ 48,901 (US)
(PITTI-ZULERTA)	ILLEGAL	$ 15,000 (US)
CUPERMAN, E.	B-2	20 1/4 KILOS COCAINE
(CUPERMAN, F.)		
CASTOR, J.	LPR	12 KILOS COCAINE
(CASTOR, J.)	USC	
LEMUS-ALVAREZ, A.	LPR	$ 15,800 (US)
HERNANDEZ-CASTRILLON	ILLEGAL	$ 24,000 (US)
AYBAR-ABREW, J.	LPR	$ 34,070 (US)
RODRIGUEZ, F.	USC	$119,980 (US)
BLANC, G.	LPR	$ 30,935 (US)
KENNEDY, P.	USC	$ 23,050 (US)
EVANS, LLOYD	LPR	$ 33,200 (US)
QUICENO-MARTINEZ, L.	LPR	3.35 KILOS COCAINE
(QUIROS, G.)	ILLEGAL	

*NATZ USC - Naturalized United States citizen

**LPR - Lawful permanent resident of the United States

***b-2 - Nonimmigrant visitor for pleasure

U.S. [illegible] of Justice
[illegible] and Naturalization Service

Investigations Division

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SPECIAL AGENT

THE NEWEST CRIMINALS: THE EMERGENCE OF NON-TRADITIONAL ORGANIZED ETHNIC CRIME GROUPS AND INS' ROLE IN COMBATTING THEM

U. S. Immigration & Naturalization Service

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THE NEWEST CRIMINALS:
THE EMERGENCE OF NON-TRADITIONAL ORGANIZED ETHNIC CRIME GROUPS AND INS' ROLE IN COMBATTING THEM

Raymond M. Kisor
Associate Commissioner, Enforcement
U. S. Immigration and Naturalization Service

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On January 8, 1986, a Colombian identified as a multi-kilo distributor of cocaine was apprehended at Detroit Metro Airport as the result of a joint investigation into a criminal organization by INS agents, Michigan State Police, and the Lenawee and Washtenaw County Narcotics Enforcement Units. Federal felony prosecution was initiated on the basis of the alien's presentation of false identification documents and false statements to the arresting officers. Follow-up inquiries disclosed the Colombian was wanted in Dade County, Florida on a murder warrant, and in Queens, New York for possession with intent to distribute 574 grams of cocaine and possession of a fraudulently-obtained United States passport.

* * *

On April 24, 1986, Shih Hsiao Pao, a 48-year old Queens, New York resident, and her daughter, I Huei Chin of East Brunswick, New Jersey were arrested by INS agents on multiple counts of conspiracy, racketeering, alien smuggling, and importing aliens for immoral purposes in connection with their operation of houses of prostitution in New York City, Denver, and San Francisco. Shih's son, I Tai Chin, a fugitive, was charged with recruiting over 50 Taiwanese women in their 20's and early 30's to come to the United States to work as prostitutes in the family-run brothels until they paid off their $5,000 debt to him for arranging their travel to the United States. Investigation uncovered links between the houses and the United Bamboo Gang--a Taiwanese gang which reportedly has 5 ,000 members in the United States.

* * *

On September 25, 1986, two days into his trial, the last defendant indicted as a result of "Operation Castoron" changed his mind and pled guilty to conspiracy charges. Twenty-three others had already pled guilty in connection with one of the most elaborate criminal schemes ever uncovered by INS, which involved over 100 sham marriages between Indian Sikhs and United States citizens, extensive alien smuggling, and narcotics trafficking. The criminal enterprise exacted $10,000 from each Sikh who was smuggled into the United States and subsequently married. As a direct result of the INS undercover operation, the Royal Canadian Mounted Police arrested seven individuals in Vancouver during February 1986 and seized over $35 million worth of 80% pure Southeast Asian heroin in the largest narcotics seizure in British Columbia history. The production point for the heroin was traced back to Thailand, and several laboratories were destroyed by Thai authorities. On September 25, 1986, the Sikh who was charged with the heroin trafficking was sentenced to serve 17 years in prison in Canada.

* * *

New Problems

These cases probably don't represent what the average person thinks of when he or she thinks of aliens and the enforcement mission of the Immigration and Naturalization Service (INS). They do, however, accurately represent our response to the challenge of non-traditional organized ethnic crime groups.

Criminal activities within certain alien populations and by certain alien groups appear to be escalating dramatically when measured by such factors as numbers of violent crimes committed and pervasiveness within the communities. Because of our unique daily interface with alien populations, the Immigration and Naturalization Service--and most particularly our Special Agents within the Investigations and Anti-Smuggling Programs--was among the first to become aware of these criminal organizations and trends. With a new awareness and re-orientation of priorities within a number of law enforcement agencies, new emphasis is now being placed on combatting these emerging ethnic crime groups. INS has a key role to play in these efforts.

New Immigration Trends

Traditionally organized crime has been equated with the Mafia--La Cosa Nostra (LCN)--or traditional Italian crime families with ties to labor racketeering, extortion, arson, narcotics trafficking, prostitution, numbers rackets, price fixing, corruption of public officials, etc. But this very real group no longer has a corner on crime. New groups with new names and new schemes--Triads, Yakuza, Rastafarians, Marielitos--are coming off police blotters and into the jargon of law enforcement officers who recognize that there are definite organizational patterns behind certain specialized criminal activities.

It is difficult to state with any certainty whether this phenomenon of organized ethnic crime is the result of the largest influx of immigrants, both legal and illegal, since the Ellis Island era of the 1910's and 1920's, or whether it reflects the changing nature of the alien population coming across our relatively porous borders. A number of these outlaw groups have existed in the sending countries for generations, and their members may have entered the United States in rough proportion to the general numbers of immigrants from the countries of origin. They then merely insinuated themselves into the lucrative United States market like an opportunistic disease. The phenomenon is thus not so much their entry or presence in the United States, but rather a factor of a long-established criminal society expanding into a new area. Other crime groups seem to be relatively new, and may be reactive to new crime openings in the community. All are legitimate foci of enforcement interest. All have substantive deleterious impact on the involved ethnic community—as much of the crime is one on one among co-nationals. The population in general is also significantly affected as gang wars spill into the streets, narcotics flood the community, extortion seeps into corporate board rooms, and as corruption reaches the pockets of elected or appointed officials.

The New Organized Crime Groups

Organized crime, according to a recent FBI report on Oriental Organized Crime, may be defined as "any formally structured group with the primary objective of obtaining money through violence or threats, graft, bribery, extortion or the corruption of public officials, and having a significantly adverse effect on the people in its locale, region, or country." Some of the groups and gangs within this definition—which are of interest to INS because their membership is principally composed of aliens--include the following:

Triads are secret Chinese criminal societies which pre-date European groups like the Camorra and Mafia by generations. They had their origins in the seventeenth century as semi-military organizations dedicated to overthrowing a foreign dynasty, and have evolved since then into forceful criminal organizations. Some tongs, which are legitimate institutions within the Chinese community, have become infiltrated and dominated by criminals who may or may not have connections to triads engaged in the operation of illegal gambling casinos, loansharking, money laundering, extortion, and narcotics trafficking. Triads extend their control over Chinatowns through street gangs--often composed of maleable new immigrants or smuggled aliens--and street violence. They are known to collaborate with Cosa Nostra interests involved in narcotics trafficking.

Chinese gangs such as the Wah Ching (Youth of China) were more recently formed. The Wah Ching gangs, which are composed mainly of foreign-born Chinese, were organized in California in the mid-1960's to protect new immigrants. The group subsequently evolved into a criminal organization with ties to Hong Kong triads. Members serve as lookouts for gambling houses, and use business fronts such as video rental shops, television stores, and restaurants to launder income.

United Bamboo is another relatively new Chinese gang which was established in Taiwan in the 1950's. Its racketeering interests include murder, murder-for-hire, kidnapping, gambling, bribery, extortion, and the importation, possession and distribution of heroin, cocaine, and marijuana. In 1985, six United Bamboo leaders--including "godfather" Chen Chi Li--were convicted in Taiwan of the California murder of Henry Liu, a naturalized United States citizen. Liu, a newspaperman, was apparently killed on contract because he was an outspoken critic of certain Taiwanese politicians.

The Ghost Shadows are still another Chinese gang whose racketeering enterprises include extortion, gambling, robbery, kidnapping, and murder.

The Yakuza (or Boryokudan) is a Japanese organized crime group composed of seven major gangs similar in composition to the Cosa Nostra. Within Japan they control the lucrative narcotics, prostitution, pornography, and weapons trade. In our Pacific coast states, they have enjoyed success in generating unlimited capital by infiltrating legitimate businesses such as hotels, condominiums, and Japanese-American trading companies, and then extorting or skimming money. A new Yakuza tactic--called "sokaiya" or corporate extortion--involves purchasing stock in a corporation and then disrupting stockholder meetings through violence or filibusters until company officials pay them to desist. Yakuza may collaborate with LCN interests in pornography, firearms, and stimulant drug smuggling back into Japan.

Vietnamese Organized Crime Groups are in the nascent stages of development in the United States. These groups, which appear oriented along old political lines, prey on new immigrants through robbery and extortion. Favored targets are ethnic Chinese within the Vietnamese refugee populations.

Canadian motorcycle gangs affiliated with U. S. groups, such as the Outlaws, pursue criminal activities indiscriminately on both sides of the border. They are not only involved in traditional money-making activities such as the manufacture and distribution of methamphetamine, but also in the non-traditional line of alien smuggling.

Rastafarians are not just noted for Reggae. Some members of this Jamaican group are involved in major criminal networks responsible for smuggling and marketing heroin, cocaine and marijuana, illicit weapons sales, credit card and airline ticket thefts and fraud, and identification document fraud. Up to 58 murders in the West Indian community in the Washington, DC and Baltimore, Maryland area during the past five years have been attributed to this group's efforts to establish turf.

The Sicilian Mafia, sometimes called the New Mafia, draws upon new immigrants and newly-smuggled Italian aliens to serve as enforcers for their various criminal enterprises. In addition to narcotics trafficking, they have become linked to contract murder, extortion, arson, alien smuggling, and skimming funds from legitimate businesses such as pizza parlors to evade tax.

The Israeli Mafia, a relatively new group, has been associated not only with major thefts and scams, but also organized narcotics trafficking into Nevada and other Western states.

Greek Mafia groups are involved in arson-for-profit, prostitution, and harboring illegal aliens.

Korean rings have been found responsible for prostitution networks and narcotics smuggling schemes. A major investigation in New York City, completed in 1984, pointed to an elaborate scheme of bribery, smuggling, visa fraud, and police corruption in furtherance of the operation of a number of massage parlors used as fronts for prostitution.

Colombian and Marielito-Cuban cocaine rings presently dominate elaborate nationwide narcotics importation and trafficking networks. These new organizations have proved exceptionally difficult for law enforcement officers to penetrate because of the groups' almost exclusive reliance on compatriots to further their efforts.

Nigerians also are becoming increasingly involved in organized narcotics smuggling and trafficking, and frequently use a wide variety of fraudulent identification documents and scams to acquire permanent residence or to conceal their illegal presence in the community.

The most recent newcomers to the ranks of non-traditional organized crime groups may be Haitian-controlled drug rings, whose impact is just being recognized in East Coast cocaine and "crack" markets. They, too, frequently rely on immigration fraud to cloak their illegal status in the United States.

The Link Between Crime and Immigration Violations

There does appear to be an organic relationship between criminal enterprises and immigration violations, as established criminals must successfully evade legal immigration procedures to enter the United States and pursue their criminal careers. Aliens who enter upon a criminal enterprise following entry must similarly evade detection and deportation. Immigration documents allowing aliens to permanently reside in the United States, and facilitating travel across international borders are highly prized and have become currency within the organized crime community. In other words, it is virtually impossible for any foreign criminal group to exist and carry out their trade without touching INS, and violating our laws and regulations.

Elaborate means to conceal criminal histories can mean assuming a new identity, surreptitiously entering the United States, or merely taking a chance that arrest records won't catch up if visas are sought away from home. Prostitution is frequently linked to alien smuggling and visa fraud. Narcotics trafficking is often intimately tied to counterfeit documents or bribery. Terrorism has been found linked to surreptitious entry and sham marriage schemes. Most members of crime groups arrested face felony immigration charges as well as unrelated criminal charges.

INS' Response

INS' investigations of criminal organizations are now proactive rather than reactive. Rather than passively waiting for other enforcement agencies to investigate and arrest aliens involved in organized ethnic crime groups, INS is actively leading and participating in task forces targeting alien members of these non-traditional crime groups.

INS Special Agents are presently serving with the Department of Justice Strike Force (Organized Crime and Racketeering Section) in twelve federal judicial districts, with the National Narcotics Border Interdiction System (NNBIS), with the El Paso Intelligence Center (EPIC), and on numerous ad hoc task forces composed of other federal law enforcement agencies such as DEA, the FBI, ATF, state police, sheriffs' offices, and county narcotics teams. Efforts are also presently underway to formalize procedures to enable our agents to participate in the Organized Crime Drug Enforcement Task Force (OCDETF).

Successes

A redirection of enforcement efforts occurred in our investigations programs in mid 1983, and focused greater resources on combatting major violators and criminal aliens. Since that time we have had some notable successes against alien crime groups:

- Fifty Yakuza have been intercepted and prosecuted for visa fraud violations in Hawaii in the past two years, including two high ranking members, one of whom had concealed 14 arrests and the other of whom had concealed 12 arrests.

- Thirty-four INS agents joined in pre-dawn raids mounted by the President's Organized Crime Drug Task Force against a Colombian network responsible for distributing 2400 kilos of cocaine annually in New Jersey. Thirty-one deportable Colombians were arrested on narcotics and immigration charges.

- A 14-month long investigation conducted jointly by INS agents and the President's Organized Crime Drug Task Force resulted in the conviction of 13 members of the Castrillon drug family responsible for moving 3 kilogram loads of cocaine into the Houston area every two weeks. The inquiry disclosed that a retired INS examiner had sold over 200 alien registration cards to illegal aliens, including members of the ring, and led to the prosecution of that examiner and two prominent Houston immigration attorneys.

- INS agents working with the Special Investigations Unit of the Multnomah County Sheriff's Office in the investigation of a major black tar heroin ring were responsible for making the second largest narcotics seizure in Oregon history on November 6, 1985.

- INS agents assisted FBI and DEA agents in the apprehension of five members of a Colombian narcotics-terrorist hit team responsible for assassinating Barry Seal, one the United States Government's most valuable drug informants. Three of the aliens had entered the United States without inspection; the other two were lawful permanent resident aliens.

- Two Nigerians--who appear to have acquired lawful permanent resident status via sham immigration marriages—and a Cleveland, Ohio resident were arrested by INS and FBI agents on July 28, 1986 on charges of distributing heroin. The three agreed to sell undercover agents one pound of the drug for $80,000, after selling them a three-gram sample for $1,200.

INS is justly proud of its role in thwarting the activities of non-traditional organized criminal groups, and remains committed to expanding its efforts in fighting this type of crime.

STATEMENT OF
HENRY DEGENESTE, SUPERINTENDENT OF POLICE
for
THE PORT AUTHORITY OF NEW YORK AND NEW JERSEY
before
THE U.S. HOUSE OF REPRESENTATIVES
SELECT COMMITTEE ON NARCOTICS ABUSE AND DRUG ABUSE
on
July 10, 1987, 10 A.M.
INTERNATIONAL ARRIVALS BUILDING, PRESS ROOM
JOHN F. KENNEDY INTERNATIONAL AIRPORT
NEW YORK

Mr. Chairman and members of the Select Committee, my name is Henry DeGeneste and I am the Superintendent of Police for The Port Authority of New York and New Jersey. The Port Authority operates the region's three major airports, John F. Kennedy International, Newark International and LaGuardia in addition to various port and other transportation facilities. These airports served nearly 79 million air travelers in 1986, a figure that is expected to increase to more than 110 million by the late 1990's. The three airports comprise the busiest and most heavily used metropolitan airport complex in the world. In 1986 1.4 million tons of cargo valued at nearly $60 billion dollars were shipped through the three airports.

A permanent detachment of Port Authority police, who are especially trained for airport work, including security, law enforcement and emergency crew duties for aircraft fires, is assigned to each of the three airports.

I am pleased, Mr. Chairman, to appear before this committee to give testimony that you requested on the role of emerging criminal groups importing heroin into the New York area for distribution throughout the United States. Our testimony, of course, should be considered jointly with that of responsible officials from the New York Region of the Drug Enforcement Administration, the FBI, the United States Customs Service, New York State's Special Narcotics Prosecutor and others with whom we work closely on a continuing basis in combating these crimes. These and other federal law enforcement agencies have the primary responsibility for activities in these areas since they control customs, immigration and similar federal activities at all U.S. ports of entry. We consider our support in these efforts to be an important part of our overall mission.

PROFILES OF EMERGING CRIMINAL GROUPS

In order to assist us in obtaining a better understanding of the criminal elements involved in drug traffic, we have gathered national statistics from various federal agencies. These statistics indicate that Colombian nationals are now responsible for nearly 100 percent of the cocaine illegally introduced into the United States. Nationals of Southeast Asia account for 40 percent of the heroin available here, while the remainder is attributed to nationals of Jamaica, Pakistan, African nations and others. Nationals of Colombia, Mexico and Jamaica appear to exercise exclusive control over processing, transportation and distribution of heroin. The heroin traffickers and the Colombian cocaine merchants utilize commercial aviation, general aviation and waterborne vessels, both private and commercial.

During the past 24 months, federal statistics indicate a resurgence of heroin trafficking activity in our area within the Chinese community. Accelerated activity levels of heroin trafficking have been noted among groups of Israelis, Nigerians, Chinese, Pakistanis and Indians.

During 1984, the last year for which such data is available to us, an estimated 800 metric tons of opium were produced in the area of Burma, Laos, and Thailand; known as the Golden Triangle. It is estimated that over 1,000 tons of opium were harvested during the past two years following a substantial bumper crop. The United States has long been targeted as a lucrative market by drug dealers around the world.

Unfortunately, this increase in the volume and scope of international drug trafficking is also resulting in more violence, including killings of competing traffickers and their families, the greater use of automatic weapons, and a higher level of assaults on law enforcement officers. This higher level of criminal activity and violence appears to be common to all drug traffickers. No one group has a monopoly on violence.

The Port Authority Police, in conjunction with several federal agencies, have arrested in recent months several heroin traffickers and couriers involved in this illicit trade. Additionally, millions of dollars which were destined to purchase drugs have been interdicted at Port Authority airports.

In 1986, 68 percent of heroin seizures in the United States were made from males, 31 percent from females. We have found that females are often used as airport couriers, officials are more cautious about ordering female "strip searches" which could result in lawsuits or adverse publicity. The trained female couriers often travel in groups and with small children who are encouraged to create disturbances.

INTERAGENCY COOPERATION

The pervasive and complex nature of drug trafficking activity at Port Authority facilities requires an approach incorporating an aggressive uniformed police deterrent program coupled with intelligent investigative follow-up. The entire criminal justice community recognizes that the single greatest threat to our society today is widespread drug abuse which impacts on most criminal activity experienced at Port Authority facilities.

At a recent United States Drug Enforcement Administration (USDEA) - Middle Atlantic Great Lakes Organized Crime Law Enforcement Network (MAGLOCLEN) seminar, directed at cocaine and heroin trafficking, some 350 law enforcement professionals targeted interagency cooperation between Federal, State, and Local Police Forces as one solution. Another solution is education, starting in grade schools in this country, continuing into college and, through the media, into the workforce.

Nowhere is cooperation more evident than here at John F. Kennedy International Airport (JFKIA). Port Authority Police, both uniformed and plainclothes, are actively involved on a daily basis with U.S. Customs, the USDEA, the Federal Bureau of Investigations (FBI), the U.S. Immigration and Naturalization Service, and a host of state and local law enforcement agencies.

For example, Port Authority Detectives have been put on special assignment to work with the USDEA for more than a year. Our Detectives and DEA Agents have traveled all over the United States and as far as Rio de Janeiro to combat narcotics trafficking. A recent investigation by this special unit, culminating on March 10 this year, led to the arrest of some 40 people trafficking in cocaine. They were part of an international criminal conspiracy, and dealt in multi-kilogram sales. Their operation included manipulation of computers, use of a major airline, and the breach of trust of that airline's access to restricted parts of this airport by their own personnel.

It was through the efforts of the U.S. Customs Service, the Port Authority Police Force, and DEA Agents throughout the world that this drug trafficking ring was smashed. Two of the principals were from the Netherlands and the drugs were transported from Brasilia, Brazil. As a result of this single joint venture, a 1.5 billion dollar drug network was uncovered and destroyed.

As stated earlier, one of the solutions to increasing drug trafficking is close cooperation between all law enforcement agencies. This interaction will result in more arrests, high quality arrests and the seizure of drugs and money. This will be to no avail, however, unless the drug traffickers, money launderers and people involved in the trade receive substantial jail terms upon conviction. In the meantime, we will continue to work closely with the DEA, U.S. Customs, FBI and other agencies with responsibility at Port Authority facilities.

We call also for increased intelligence gathering and cooperation on all levels of the criminal justice system. Then, too, law enforcement agencies need to police themselves. The staggering amounts of money involved in drug trafficking will corrupt the weak. We must establish standards, measure law enforcement performance, and train our people to develop inspection procedures and recognize signs of corruption. With this in mind, the Port Authority Police Force has instituted anti-corruption programs and developed inspection procedures which have been successful for more than five (5) years.

There are no easy solutions. Security at airports is always a trade-off to convenience. In a free society, people who travel through public transportation facilities object to inconvenience and delay by police no matter how worthy the cause.

I have attached to this report a detailed assessment of the major emerging drug groups identified by Police intelligence sources as the primary movers of heroin into the United States via our airports. Additionally, I have attached statistics that give an overview of drug related arrests, and assets seizures or arrests made by U.S. Customs or the USDEA, who have primary responsibility in this area.

In summary, my major recommendations for dealing with this problem are as follows:

- Continued cooperation among Federal, State and local law enforcement agencies involved in narcotics interdiction programs.

- Review and modification of federal mechanisms for the equitable distribution of forfeited cash and other assets seized by law enforcement personnel from drug traffickers. This will provide funding for personnel and equipment to be used for narcotics interdiction programs.

- Establishment of federal policies that will encourage commercial airlines to cooperate with law enforcement agencies involved in narcotics investigations.

- Increased federal support of state and local drug education programs featuring participation of law enforcement personnel aimed directly at school age children.

Thank you Mr. Chairman for allowing me the opportunity to appear before you and the committee and share some of the concerns of the Law Enforcement community on this most critical issue. I will be happy to answer any questions you may have.

ATTACHMENT I

ORGANIZED TRAFFICKING GROUPS

Israelis

During the last several years, law enforcement units throughout the country have begun to direct their efforts at Israeli narcotics trafficking. This new awareness evolved from the investigation of the death of two (2) known traffickers in Los Angeles, California.

The organized Israeli criminal element has emigrated to various countries. These include the Netherlands, United Kingdom, Paris, France, Belgium, Germany, Turkey, Brazil, Canada, and Colombia. Those which emigrated to the United States have set themselves up in Los Angeles, New York, Boston, Miami, Chicago, Arizona, and New Mexico.

The Israeli traffickers have shown they have the capability to import multi-kilos of heroin, cocaine and hashish/marijuana. They have also shown an ability to interact with other known criminal groups including other middle-eastern enterprises.

Nigerian

According to Intelligence reports, Nigerian couriers continue to be the largest heroin smuggling group.

Narcotics smuggling is a phase that certain Nigerian criminal elements have entered. We have been aware for many years of the involvement of Nigerians in criminal activities in the United States. These activities include bank and student loan fraud, check and credit card fraud, accident claim fraud, and airline ticket fraud.

Cultural and Political Conditions

There are several significant cultural and political conditions which characterize and influence Nigerian heroin smuggling.

It is not uncommon for the Nigerian criminal element to conduct numerous schemes simultaneously. They utilize multiple aliases, several addresses, mail drops, and answering services. It is common for Nigerians to have close relationships with relatives. These relationships aid in the commission of criminal activity by providing multiple addresses which are used to cloud their true identity. Nigerians value higher education and are especially proud of a college degree. The college identification card or genuine diploma may be the only time that Nigerians will use their true name.

Nigeria does not have a systemized birth registry procedure. A Nigerian national who wishes to secure a Nigerian passport, for example, will go to the Nigerian authorities and make a declaration of his name and date of birth, perhaps supported by affidavits from relatives. Compounding this is the Nigerian custom of having a tribal name and a different baptismal name. Once in the United States, the Nigerian trafficker can use name variations to a great advantage in confusing investigating authorities.

Organization and Modus Operandi

The apparent structure of the Nigerian smuggling groups is different from that of traditional organized crime. These groups, though loosely structured, are tangently connected to each other. The organizations that exist are based on the extended family or tribal affiliation. These inter-group relationships allow for the free exchange of information whether it concerns credit card fraud or narcotics smuggling. Similar to traditional organized crime, Nigerian couriers are known to take oaths in which they refuse to name co-conspirators. Unfortunately, this has frustrated efforts to discover the organization and leadership of the Lagos based drug groups.

We are aware that most couriers travel in groups of two or three under the control of another individual who is not a courier. Each courier receives a fee of approximately $1,500 to $3,000 per trip, plus the cost of the airline ticket. A recent new development shows a number of Nigerians are operating as freelance couriers and not part of any organized group.

The modus operandi of Nigerian couriers appears to be following the same process as other smuggling groups. Initially, most couriers were body carrying heroin, a relatively crude and risky method of concealment. The methods of concealment progressed to the soles and heels of shoes, followed by concealing the heroin in the hollow tubular frames of baggage carts. Today, the most common method is vaginal and rectal internal concealment.

The dramatic shift in changing the concealment methods indicates an organization that is resourceful and adapts quickly when a certain method is identified by authorities.

The change to internal concealment serves two purposes: (1) this type of concealment is the most difficult for Customs to detect; and (2) the Nigerian Government has instituted a program of personal searches on passengers arriving and leaving Nigeria for narcotics and currency. This latter measure was prompted by criticism of the Nigerian Government in several Nigerian newspapers.

Law enforcement intelligence indicates that a group of unidentified Nigerian nationals periodically make trips to various U.S. international airports looking for easy access. Apparently this group, which does not carry heroin, will go through Customs to determine if a particular airport seems less risky for couriers. Presently, many U.S. international airports, including U.S. Customs preclearance at airports in Canada, Bermuda and the Bahamas, have no set procedures for handling internal concealments. Most local hospitals are reluctant to accept suspected couriers for x-ray inspection fearing that the hospital would be liable in a lawsuit.

There is a strong indication that Nigerian smuggling groups are gathering intelligence concerning the Criminal Justice System. Nigerian females are most often used for internal concealment smuggling. When a Nigerian female who is suspect is removed to a private room for a secondary exam, she immediately claims that she is pregnant and cannot be x-rayed. An interesting aspect is that these statements were made prior to any questioning by a the Customs Inspector or before any mention of x-ray utilization.

Relationships between various criminal elements have resulted in what appears to be a vast conspiracy. Investigations have established that Nigerians arrested at JFKIA are associated with other couriers arrested in Baltimore, Atlanta and Washington, D.C. In addition, it has been established that these conspiracies are related to money laundering conspiracies in New York and Baltimore.

Pakistan/India

Heroin produced in Pakistan is entering the United States in ever-increasing quantities due to the significant amounts of opium poppies being cultivated and processed throughout Southwest Asia. Along with Afghanistan and Iran, Pakistan forms what is now called the Golden Crescent - a new starting point for the world's heroin route to Europe and North America. Pakistani drug dealers have amassed the world's largest stockpile of opium and heroin, as well as increased construction of laboratories that process opium into heroin.

In spite of the government ban on this activity, geographic, economic and political factors all contribute to the difficulties in eliminating opium poppy cultivation in Pakistan. The rugged, mountainous terrain of the Northwest Frontier Province makes policing extremely difficult, as some poppy fields in remote areas are accessible only by foot trails. In many places where erosion and centuries of tillage have severely depleted the soil, farmers are reluctant to devote the few remaining fertile areas to anything other than the most remunerative cash crop, which is opium. The traditional independence of frontier tribes from external authority lends substantial risk to enforcement efforts, as in much of the Northwest Frontier Province tribal law dominates, and Pakistani laws do not apply.

Peshawar, the capital of the Northwest Frontier Province, is strategically located 10 miles east of the Khyber Pass, the gateway to Afghanistan and Central Asia. Recent political turmoil in Afghanistan has resulted in the reversal of direction of that region's opium eastward into Pakistan. Peshawar is also a thriving rail and road center, as well as that northern terminus of Pakistan International Airlines.

Pakistan's per capita income is approximately $120, and in conjunction with a shortage of skills, dietary deficiencies and generally poor living and working conditions, the average Pakistani is living at or below the poverty level. Poppy cultivation brings farmers 10 times as much income as the next most profitable crop. In addition, the proliferation of laboratories producing heroin for export to the United States and Europe, rather than exporting raw opium for processing, has resulted in enormous profits.

Despite efforts by the Government of Pakistan to cut back the production of heroin by banning opium cultivation and increasing sentences for traffickers, the geographic, political and economic state of Pakistan, particularly in the Northwest Frontier Province, makes illicit production of heroin a profitable and low risk business.

Intelligence assessments show that most of the heroin being exported by Pakistan is being carried by Nigerian couriers. The heroin train to the United States begins in Karachi, where an estimated 200-300 Nigerians arrive every week. Once the destinations are determined, several couriers fly to the same location. This "Shot Gun" approach is predicated on the premise that one or two of the couriers will get caught and the others will not.

Latest reports are that certain areas of Pakistan have stockpiles of the drug, and if the government were to completely eradicate opium production within its borders, the impact would be minimal at best.

Recent developments indicate that heroin coming from India is being secreted in liquor bottles. In most instances, Bombay was the originating location. Along these lines, heroin from Bangkok, Thailand has been found secreted in hollowed out areas of furniture.

Asian

For the purpose of this report, Asian organized crime will be limited to a discussion of the Chinese Connection.

Asian groups are reportedly becoming increasingly involved in narcotics activity within the United States. It has been suggested that Asian organized crime will be the number one organized crime problem in the United States within the next five years.

Asian organized crime presents additional problems to law enforcement. First, the volume and type of criminal activity is more difficult to detect. This is due to limitations in both reporting and investigating crimes committed by Asians. The overwhelming majority of Asian crime is confined within Asian communities. Language differences inhibit victims or potential victims from reporting crimes. Many are suspicious of the police who they often view, based on experiences in their homeland, as brutal and corrupt.

Secondly, Asian crime is more difficult to investigate and prosecute. Asian groups are often reluctant to deal with the criminal justice system. Many do not understand the operation of the criminal justice system in the United States. When a suspect is released on bail, for example, it may appear as though he did not commit a crime or he paid off the police. This further impedes victims from reporting crime and/or cooperating with police. Investigations are further complicated not only by the language barrier, but also by the reluctance of those involved in criminal activity to interact with non-Orientals.

Finally, these groups are highly mobile. Many have family in various parts of the country. Those involved in criminal activity may hide out or operate out of unsuspecting relative's homes around the country. In addition, religious or nationalistic organizations intended to provide assistance to Asian immigrants in settling in the United States exist throughout the country.

These factors provide a ready network which facilitates the movement and lodging of Asians around the country. Further, support groups also exist which can assist the rapid return of individuals to their homeland.

Organized Chinese criminal groups have become firmly entrenched in the United States. Most criminal activity is confined to Chinatown and involves narcotics, extortion, gambling, robbery, burglary and murder. Most activity is controlled by secret societies referred to as "Triad" and/or Chinese gangs. Triad is a term developed by non-Orientals to refer to Chinese secret societies, which have a long history in China. Originally, they were formed to protect the common people during times of political turmoil. During the long years of clandestine existence they attracted much of the criminal element in China. With the decline of the political need for Triads, they degenerated into a criminal society.

Intelligence indicates the Triads deal in wholesaling and retailing of heroin. Their involvement goes back many centuries and has developed to suit modern trends. Triad members are individually involved at most levels of the narcotic trade. In heroin dealing there is territorial control, guarded jealousy.

Opium dens are under their control and are run on very similar lines to gambling. The majority of opium dens are run by local members. The keepers of such hire other Triads to assist them.

Distribution to many countries of the world is closely and secretly organized.

A brief description of the pattern of Asian drug trafficking is provided to describe the enormous problem facing the world, and can then compare it with the methods used to gain intelligence on the Triads.

As a rule, the Asian intellectual traffickers prefer dealing with their own people who speak the same language and are familiar with each other's background. In this way they feel they are very safe in going about their business. In many cases, dealers are warned not to deal with non-Chinese.

Asian drugs are mainly produced in the Golden Triangle and North Thailand. These drugs are solely exported to international traffickers through middlemen who sell them to buyers' representatives or they themselves take the position as controllers and recruit couriers to take the drugs to the country of consumption.

Trafficking Controllers

These are usually the trusted associates of the drug owners or the trusted friends of associates. In this way the drug owner will provide large quantities of drugs for international trafficking without cash or down payment. The usual arrangement is that when the drugs are safely brought, they will be divided 50/50 or 60/40 between the drug owner and the controller, with the larger proportion going to the owner, who has his own representatives there to pick up his share of the drugs for distribution or for storage. For that service he pays the controller a portion of the delivered drugs, not money. All the owner requires is to have his drugs smuggled to the country of consumption. As a rule,the owners do not negotiate with the couriers, who in turn do not know who the owners are. The couriers do not recruit the couriers either, but through what is known as a cut out, who does not travel with the couriers.

The couriers are Chinese. Why? Because of their business acumen and experience in trafficking, as well as a common language and common lack of trust of outsiders. These are highly trained and very professional couriers, skilled at their trade.

The traditional method of heroin trafficking by the Chinese has been by cargo concealment. However, we have observed a controlled gradual shift to smaller loads via body carry.

One final note regarding Asian groups. In 1997 Hong Kong is expected to be returned to the Peoples' Republic of China. Many businessmen desirous of transferring their assets from Hong Kong to the United States are engaging in heroin smuggling and thus supplying local Chinese drug traffickers.

ATTACHMENT II

OPIUM STATISTICS
CULTIVATION

1985

Southwest Asia	640-970 Metric Tons
Southeast Asia	625 Metric Tons
Mexico	24-45 Metric Tons

1986

Southwest Asia	740-1060 Metric Tons
Southeast Asia	820-1415 Metric Tons
Mexico	20-40 Metric Tons

1987

Southwest Asia	700-1030 Estimated Metric Tons
Southeast Asia	770-1365 Estimated Metric Tons

Throughout the United States, from June 1985 to June 1987, DEA and Customs have seized 930 lbs. of heroin.
There are 200,000 heroin addicts in New York State. Appproximately 77% are in the New York City area. The DEA estimates that 40% of Asian heroin is destined for the New York area.

ATTACHMENT III
PORT AUTHORITY POLICE
Drug Related Incidents - 1987 (May 31)

Crime	Kennedy	LaGuardia	Newark	Total
Sale-Heroin	3			3
Sale-Marijuana			3	3
Poss-Heroin	46	5		51
Poss-Marijuana	188	13	4	205
Poss-Synthetics	1		1	2
Poss-Other Narcs	5	2	1	8
Poss-Narc Instrum	1		1	2
Total:	244	20	10	274

Drug Related Incidents - 1986

Crime	Kennedy	LaGuardia	Newark	Total
Sale-Heroin		2	6	8
Sale-Marijuana	1		8	9
Sale-Other Narcs	7			7
Poss-Heroin	35	19	6	60
Poss-Marijuana	475	24	20	519
Poss-Synthetics	2			2
Poss-Other Narcs	16	3	3	22
Poss-Narc Instrum	2	5	2	9
Total:	538	53	45	636

Drug Related Arrests - 1987 (May 31)

Crime	Kennedy	LaGuardia	Newark	Total
Sale-Heroin	3			3
Sale-Marijuana			5	5
Poss-Heroin	46	5		51
Poss-Marijuana	191	17	4	212
Poss-Synthetics	1		1	2
Poss-Other Narcs	6	2	1	9
Poss-Narc Instrum	1		1	2
Total:	248	24	12	284

Drug Related Arrests - 1986

Crime	Kennedy	LaGuardia	Newark	Total
Sale-Heroin		2	6	8
Sale-Marijuana	1		9	10
Sale-Other Narcs	5			5
Poss-Heroin	37	26	10	73
Poss-Marijuana	501	27	22	550
Poss-Synthetics	2			2
Poss-Other Narcs	17	3	3	23
Poss-Narc Instrum	2	5	3	10
Total:	565	63	53	681

ATTACHMENT IV

PORT AUTHORITY POLICE

Drug & Currency Seizures

1986

DRUGS	EST. VALUE	CURRENCY
Marijuana-826 lbs.	$500,000	$689,480
Cocaine-6.5 lbs.	$250,000	
Qualudes-60,000 tablets	$500,000	

1987 (Jan.-May) *

DRUGS	EST. VALUE	CURRENCY
Marijuana-585 lbs.	$350,000	$664,839
Cocaine-56 lbs.	$1.8 Million	
PCP-5 Gals.	$ 5,000	

* Does not include $700,000 in currency, 100 lbs. of cocaine and 700 lbs. of marijuana, seized as a result of the joint PAPD/USDEA/US CUSTOMS "Pan Am Clipper Club" conspiracy at JFKIA.

SUBMISSIONS FOR THE RECORD

Memorandum

Subject	Date
Proposed Legislation: Criminal Alien Removal Act	July 8, 1987

To	From
Raymond M. Momboisse Acting General Counsel Central Office Washington, DC	Walter P. Connery Assistant District Director for Investigations New York District

Through channels

The volume of criminal aliens that are amenable to deportation is overburdening administrative processes that were designed for all aliens amenable to deportation. Even more importantly, a variety of procedural impediments have evolved that make it difficult, if not impossible, to expeditiously deport a significant number of dangerous criminal aliens.

My legislative proposal would establish a method of dealing expeditiously and inexpensively with the most dangerous category of criminal aliens, i.e. those that have been convicted of "Aggravated or Attempted Aggravated Felonies." These felonies are defined as: Murder, Robbery, Kidnapping, Rape and the Sale of Narcotics or Controlled Substances.

Sentencing Judges would be required to issue Final Orders of Deportation to all aliens convicted of "Aggravated or Attempted Aggravated Felonies" at the time of sentence. The Order would be effective immediately, instead of imprisonment; or alternatively, after service of sentence of imprisonment. "Attempted Aggravated Felonies" are included in this concept to give Sentencing Judges more discretion to impose an alternate sentence of deportation as opposed to incarceration in appropriate cases.

Any Lawful Permanent Resident Alien would have his or her status revoked by operation of law as a result of the "Aggravated felony" conviction. Appeals from Final Orders of Deportation in these cases would be to the Circuit Court of Appeals on the singular ground that the alleged alien was in fact a United States Citizen and thus not subject to an Order of Deportation.

These provisions, when coupled with my previous suggestion to markedly increase the penalties for aliens convicted of Aggravated or Attempted Aggravated Felonies (Senate Bill 973 - see attachment), would serve as a simple, effective method of dealing with this extremely dangerous class of aliens.

The Executive Office of Immigration Review and Board of Immigration Appeals would continue to retain jurisdiction over all other classes of aliens.

The obvious savings in detention costs, overcrowding problems, etc., for the Service, as well as for State and Federal Prison Systems, are decided ancillary benefits. These procedures would also result in partial caseload relief for the overburdened Executive Office of Immigration Review and Board of Immigration Appeals.

PROPOSED CRIMINAL ALIEN REMOVAL ACT

DISCUSSION

The expeditious deportation of Criminal Aliens that have been convicted of "Aggravated Felonies" is in the national interest. This act, when coupled with pending legislation (S. 973 amends Title 8, Section 1326 of the United State Code by mandating a minimum sentence of fifteen (15) years for Aliens who unlawfully re-enter the United States after being deported as the result of a conviction for an "Aggravated Felony"), would provide a double cutting edge in the nation's war against drug traffickers and others who commit crimes of violence. The provisions of this proposed act would require a Sentencing Judge to issue a Final Order of Deportation to all aliens convicted of an "Aggravated or Attempted Aggravated Felony" at the time of sentence. Lawful Permanent Resident Aliens would have their status revoked by operation of law as a result of their "Aggravated or Attempted Aggravated Felony" conviction.

These provisions not only serve as a deterrent but also provide sentencing judges, in appropriate cases, with the option of issuing the Final Order of Deportation effective immediately, instead of imprisonment, or alternatively after the service of a sentence of imprisonment. Exercising the initial option reduces prison overcrowding and would, when coupled with the aforementioned pending legislation, subject the alien to a fifteen(15) year minimum term of imprisonment should he or she illicitly return to the United States.

PROPOSED CRIMINAL ALIEN REMOVAL ACT

Definitions: "Aggravated Felony" - For the purposes of this Act, an "Aggravated Felony" is defined as a conviction for Murder, Robbery, Kidnapping, Rape, Sale of Narcotics or Controlled Substances, or any felony attempt to commit the aforementioned felonies.

"Conviction" - For the purpose of this Act a conviction will be deemed final when sentence is imposed...and the deportation of any alien will not be deferred because of any pending appeal relating to the conviction.

Any other provisions of law or regulation notwithstanding:

1). All Federal, State Judges, Magistrates or Judicial Officers authorized by statute to impose sentence on individuals convicted of Aggravated Felonies or Attempted Aggravated Felonies will issue Final Orders of Deportation to all aliens that are so convicted at the time of sentence imposition.

2). All aliens convicted of an "aggravated felony" or of an attempt to commit an "aggravated felony" shall be immediately deported after completion of their sentence and/or where statutes permit, and in the discretion of the sentencing court, in lieu of a sentence of imprisonment.

3). The conviction of an alien for an "aggravated or attempted aggravated felony" will cause any Legal Permanent Resident status the alien may have to be revoked by operation of law as of the date of sentence. Such conviction will serve as conclusive evidence of the former Legal Permanent Resident Alien's Deportability.

4). Where the "aggravated felony or attempted aggravated felony" conviction, which served as the basis for the deportation of a former Lawful Permanent Resident, is reversed by an Appellate Court the former Lawful Permanent Resident may petition the Attorney General from his or her native country for discretionary reinstatement of Lawful Permanent Resident Alien status.

5). Sentencing Judges or Magistrates will have exclusive jurisdiction over the class of aliens that are sentenced for "aggravated or attempted aggravated felonies." Appeals from Final Orders of Deportation will rest with the Circuit Court of Appeals on the singular ground that the appellant is a United States Citizen and therefore, not subject to an Order of Deportation. The Executive Office of Immigration Review will continue to have jurisdiction over hearings for all other categories of aliens.

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sessment suggests that our capacity to produce will not level off in the next decade. To the contrary, new technologies such as the hybrid wheat and growth hormones in dairy cattle will likely add even greater pressure to our surplus problems. The OTA study estimates that average per acre wheat yields will increase another [illegible] to 25 percent in the next decade. In the next 15 years, milk output per cow is estimated to increase by 5[illegible] percent. Similar outcomes are expected for virtually all major crops and livestock products.

Mr. President, some have suggested that the only solution to the problem is to export our surpluses. Indeed, we must be competitive in international markets and continue to strive for an increased market share.

A more careful analysis of the international market, however suggests that it will be very difficult to dramatically increase our export volume. Most nations who were net food importers in the 1970's have implemented major policy reforms to shore up domestic production and promote greater self-sufficiency. Other countries continue to have significant demand for our products, but no longer have the hard currency to buy due to falling oil prices and other economic factors.

The bottom line, Mr. President, is simply that while we must continue to promote our products in the international market, it is not the entire solution to our present ability to overproduce.

I believe we must begin to more aggressively develop alternative markets for U.S. farm products. In order to increase demand for farm products both at home and abroad, American agriculture should begin research and development on end-use products that would diversify our market beyond the traditional food and fiber situations. This bill helps in that process by authorizing long-term research in the modification of plants or plant products in order to produce marketable industrial or commercial goods other than traditional food or fiber.

This legislation establishes an independent New Products Research Board to advise the Assistant Secretary of Agriculture for Science and Education. The Board would consist of six members who are Government employees and who would serve without additional compensation. The Board would recommend specific targets of opportunity for research and identify experts needed for technical review of proposals. Finally, the Board would recommend funding of specific proposals and report on the progress of such projects.

The bill would allow funding for research projects aimed at the development of marketable industrial products. Criteria for selecting research projects would focus on the probability of success, the need and demand for the new product, the time needed to develop the product, the likelihood that the product would lead to reduced Federal outlays for agricultural programs, and the producers' ability to grow the crop profitably.

Funding for individual projects could be awarded to single entities or to consortia of public and private institutions. In addition, funding of a project must cover at least 5 years, or until a marketable product is developed or determined to be unnecessary or unattainable. Funding could be extended for additional 3-year periods.

The bill contains an annual authorization of $75 million. I am hopeful that the House and Senate Appropriations Committees will use this new authority to restructure some of our present priorities in agricultural research that are simply adding to our surplus dilemma. While we cannot be shortsighted by assuming that this period of surpluses will continue indefinitely, I believe our funding priorities in the short term should focus upon development of alternative markets.

By using modern technology to develop products other than traditional food and fiber, American agriculture can better adjust to the changing world market. I urge my colleagues to support this bill.●

By Mr. JOHNSTON (for himself and Mr. BENTSEN):

S. 971. A bill to amend the Internal Revenue Code of 1954 to impose a fee on the importation of crude oil or refined petroleum products and to repeal the windfall profit tax on domestic crude oil; to the Committee on Finance.

(The statements of Mr. JOHNSTON and Mr. BUMPERS and the text of the legislation appear earlier in today's RECORD.)

By Mr. CHILES:

S. 972. A bill to amend the Immigration and Nationality Act to require, pending deportation proceedings, the detention of aliens who have been convicted of aggravated felonies; to the Committee on the Judiciary.

S. 973. A bill to provide for additional criminal penalties for deported aliens who reenter the United States, and for other purposes; to the Committee on the Judiciary

S. 974. A bill to impose criminal penalties upon persons who neglect or refuse to appear before certain proceedings under the Immigration and Nationality Act; to the Committee on the Judiciary.

S. 975. A bill to impose criminal penalties against persons aiding aliens violating certain laws to enter the United States; to the Committee on the Judiciary.

S. 976. A bill to amend the Immigration and Nationality Act to establish a connection between certain computerized indexes containing information on deportable aliens; to the Committee on the Judiciary.

ILLEGAL ALIEN FELONS

Mr. CHILES. Mr. President, the fact that a good number of persons committing crimes in the United States are illegal aliens is complicating and frustrating an already overburdened legal and penal system.

Last year, over 100,000 illegal aliens were arrested for criminal offenses. Yet, only 12,000 were deported. I think those two figures—100,000 versus 12,000—clearly describes the immense problems such felons have presented to our law enforcement system.

These felons are involved in an array of illegal enterprises including drug trafficking, money laundering, fraudulent credit cards rings, racketeering, weapon sales, and prostitution.

Their presence is acutely recognized nationwide.

According to the General Accounting Office (GAO), in New York City 1 out of every 10 persons arrested is an alien, 21 percent of all homicide suspects are aliens, and 12,300 aliens were arrested for felonies over a recent 15-month period.

In southern California, the GAO reports that 12-16 percent of persons arrested were aliens, 25 percent of all thefts were alien suspects, and 50-80 percent of persons arrested selling crack cocaine were illegal aliens.

An officer from the Orlando Police Department recently appeared at a hearing I held on the subject of illegal alien felons, and testified that the number of illegal aliens who deal in crack in the Orlando area has increased 300 percent in the last year. Yet, he states that less than 5 percent of those arrested have been successfully prosecuted. Unfortunately, these numbers are being duplicated throughout Florida.

In Florida, and other regions of the country this banding together of two of the Nation's most difficult domestic problems has created an even more difficult and dangerous problem—expansive drug syndicates established and managed by illegal aliens.

These drug syndicates have flourished over the past few years and today can be traced throughout Central America, the Caribbean Islands, the Bahamas and Haiti and into the United States. These syndicates operate many of the drug networks—crack, cocaine, and heroin—in Florida and throughout the United States. Their presence in the United States is so widespread and lucrative that they are attracting other aliens into the United States to join in the illegal enterprises.

We know of clandestine drug labs in the United States that are run by illegal Colombians.

Nigerians are known to be involved with a heroin drug smuggling operation.

And, one of the largest and most widespread crack operations in this country is run by illegal Haitians.

It is common knowledge that the U.S. immigration law allows for the deportation of aliens who are in the United States illegally as well as for aliens who commit certain felonies while in this country.

However, identifying and prosecuting such illegal alien felons is a long and complex process. It is a lengthy and often inefficient procedure which is frustrating our law enforcement officers. It is not uncommon for an alien who has committed a certain felony to pay his bond and walk, only to be apprehended for a similar crime in the next county but with a new name and identification. Often police have no idea of the real identification of this criminal. Many roam throughout Florida and the country with numerous bond slips on their person. They have no fear of or respect for our legal system—and for good reason.

For example, Bradenton police officers in Florida are familiar—very familiar—with an illegal Haitian who has 18 active warrants against him for drug offenses. Police have seized 3 passports issued to him in 3 different names, 11 drivers licenses, immigration cards and numerous firearms and stolen property.

The Sheriff of Seminole County in Florida testified at the hearing that it is not uncommon to arrest the same illegal alien three times a week for drug charges. Such aliens merely pay bond, walk and continue to deal drugs.

In the Tampa area, an investigation of a major Colombian drug ring has been frustrated by the ability of the suspects to pay substantial bonds and walk. According to Tampa police, the amount of the bonds produced by the defendants gives a clear indication of the magnitude of their drug operation.

Recently, Customs and Immigration officials in southern California apprehended a Colombian attempting to enter the United States illegally in the hidden compartment of a car. This Colombian has been deported previously from the United States and according to the Drug Enforcement Administration (DEA) is linked with 50 drug related murders and is currently the subject of 6 drug killings in the New Orleans area and a series of drug killings in California. Immigration officials claim they have 5 alien files on this individual with 13 aliases, different birth dates and different social security cards.

Unfortunately, these aliens are not exceptions but rather common amongst the 100,000 illegal alien felons in the United States.

Mr. President, I feel strongly that immigration enforcement is a Federal responsibility and illegal alien felons are included in this arena. Their presence in this country is due to inadequacies in immigration policy and implementation. Local and State officials cannot—and should not—bear the sole burden for prosecuting and incarcerating these criminals.

The Federal Government must take the leading role in reacting to the increasing numbers of illegal alien felons in this country.

In this regard, I am introducing several bills which are intended to strengthen U.S. immigration law against illegal alien felons.

The first bill would require mandatory detention of aliens convicted of aggravated felonies in the United States. Aggravated felonies would be defined as murder, rape, kidnaping or attempts at such and any trafficking of illegal drugs as listed under the Controlled Substances Act. Such mandatory detention would thus deny voluntary departure and conditional parole in the immigration process to such felons. The bill would also require the Attorney General to take custody of such felons and for immigration officials to give priority to cases involving felons in the overall immigration system.

The second proposal would impose stricter criminal penalties upon aliens who reenter the United States after having been deported. The bill would provide for a three-tier penalty system for aliens who reenter with mandatory sentences for aggravated felons. The three-tiered system would be: first tier: any deported alien who reenters: up to 2 years and up to $1,000 (or both); second tier: any deported alien (nonaggravated felon) who reenters: up to 5 years and up to $10,000 (or both); and third tier: any deported alien (aggravated felon) who reenters: mandatory 15 years and up to $20,000.

This provision is intended to strengthen immigration law by creating a greater deterrent to alien drug traffickers who are considering illegal entry into the United States. In addition, this criminal offense will give law enforcement authorities a broader arena for prosecuting the drug offender as current tax fraud and mail fraud violations provide.

The third bill would make it a criminal offense for refusal to appear at immigration proceedings including deportation and exclusion hearings with penalties up to 5 years and up to $5,000, or both.

I would hope that by making it a criminal offense to fail to appear at such proceedings, the number of aliens who refuse to appear will decrease. But if they choose to abscond, the alien will be subject to criminal prosecution.

The fourth proposal would impose criminal penalties against those persons who knowingly aid or conspire to assist illegal alien felons in obtaining entry into the United States. Such offenses would be subject to penalties of up to 5 years and fines up to $5,000, or both. This is directed at those persons in the United States—citizens or noncitizens—who actually recruit aliens in foreign countries for the purpose of dealing drugs in the United States and/or to assist such aliens in gaining illegal ent y into this country. A Haitian informant for the Orlando Police Department testified at the hearing and stated that "many Haitians are brought into the United States illegally for the sole purpose of dealing drugs and to recruit other Haitians for the drug business. These dealers are mixed with political refugees to hide their identity."

The final bill is intended to give statutory authority and clarity to a process which is being developed between INS and law enforcement agencies. This bill would require linkage of INS computers and the National Crime Information Center and other computerized criminal indexes. Such linkage is crucial to the overall apprehension and prosecution of aliens who commit immigration violations as well as other criminal offenses. Time after time, law enforcement officials claim that requests for information on certain aliens go unanswered. There should be an efficient two-way channel of information between the INS and law enforcement agencies to allow for an expeditious exchange of data.

Mr. President, these are but a few of the areas where the Federal Government must make decisions and assist State and local officials in developing an effective policy with regard to illegal alien felons.

This legislation will not resolve every deficiency in the system. States are going to have to evaluate their judicial systems to determine how to prevent such felons from repeatedly bonding out when apprehended. Our criminal systems must respect the rights of all individuals but also must acknowledge the threat illegal alien felons are to our communities. I would hope that the passage of the changes to Federal law which I am introducing today will prompt action by the States. The problem of illegal alien felons is so complex and threatening it will take the cooperation of all levels of government to meet the demands.

I am hopeful that my colleagues will join me in insuring that the Congress will do its part to rid our streets of these felons.

Mr. President, I ask that the five bills be printed at this point in the Record.

There being no objection, the bills were ordered to be printed in the Record, as follows:

S. 972

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 242(a) of the Immigration and Nationality Act is amended—

(1) in the second sentence, by striking out "Any" and inserting in lieu thereof "Except as provided in paragraph (2), any";

(2) by redesignating clauses (1), (2), and (3) as clauses (A), (B), and (C), respectively;

(3) by inserting "(1)" immediately after "(a)"; and

(4) by adding at the end thereof the following new paragraph:

"(2)(A) Any alien arrested under paragraph (1) pending a determination of whether such alien is deportable on grounds of having been convicted of an aggravated felony shall not be released from custody and shall not be entitled to conditional parole. An alien held in custody under this paragraph by State or local authorities shall promptly be transferred to the custody of the Attorney General.

"(B) Each special inquiry officer conducting deportation proceedings under subsection (b) shall give priority to proceedings involving aliens held in custody under subparagraph (A).

"(C) For purposes of this paragraph, the term 'aggravated felony' means murder, kidnapping, rape, or any attempt thereof, or any illicit trafficking in any controlled substance as defined in section 102 of the Controlled Substances Act."

(b) Section 244(e) of such Act is amended—

(1) by striking out "(e) The" and inserting in lieu thereof "(e)(1) Subject to paragraph (2), the";

(2) by adding at the end thereof the following new paragraph:

"(2)(A) The authority contained in paragraph (1) shall not apply to any alien who is deportable for having been convicted of an aggravated felony.

"(B) For purposes of this paragraph, the term 'aggravated felony' means murder, kidnapping, rape, or any attempt thereof, or any illicit trafficking in any controlled substance as defined in section 102 of the Controlled Substances Act."

S. 977

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section [illegible] of the Immigration and Nationality [illegible]

[illegible] "[illegible] alien" and inserting [illegible]

[illegible] at the end thereof the following [illegible]

[illegible] (a), in [illegible]

[illegible] Act or of any other law or regulation relating to the admission or expulsion of aliens or to citizenship or nationality, neglects or refuses to so appear and respond, if in the power of such person to do so,

shall be fined not more than $5,000 or imprisoned not more than five years, or both.".

S. 975

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 277 of the Immigration and Nationality Act is amended by inserting "(9), (10), and (23)," immediately after "212(a)".

(b) The section heading for section 277 of such Act is amended by striking out "SUBVERSIVE ALIEN" and inserting in lieu thereof "CERTAIN ALIENS".

(c) The table of contents of such Act is amended by amending the item relating to section 277 to read as follows:

"Sec. 277. Aiding or assisting certain aliens to enter the United States.".

S. 976

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 290 of the Immigration and Nationality Act is amended by adding at the end thereof the following new subsection:

"(e)(1) The Attorney General shall prescribe regulations to enable the Service by computer—

"(A) to obtain access to information compiled by the National Crime Information Center and to other information compiled in appropriate computerized indexes maintained by law enforcement agencies, and

"(B) to transmit information to such data storage facilities, with respect to the identities of aliens who have been convicted of criminal offenses and other information relating to deportable aliens, including information on warrants (criminal and administrative) with respect to such aliens.

"(2) For purposes of this subsection, the term 'aggravated felony' means murder, kidnapping, rape, or any attempt thereof, or any illicit trafficking in any controlled substance as defined in section 102 of the Controlled Substances Act.".

By Mr. NICKLES:

S. 977. A bill to provide routine confidential testing of individuals convicted of drug and sex offenses for exposure to the human immunodeficiency virus; to the Committee on the Judiciary.

[illegible]

Mr. NICKLES. Mr. President, I rise [illegible] concern about our Nation's [illegible] public health issue and [illegible] this century's most [illegible] acquired immune deficiency [illegible] we are [illegible] by the stigma sur- [illegible] As a result, we [illegible] the health of our [illegible] I am intro- [illegible] this [illegible]

[illegible], no organization really knows how many people are carrying the virus and passing it on to others. No one knows what proportion of those infected will ultimately develop frank AIDS, the fatal stage of the disease. We are suffering from a severe lack of credible, usable information about the deadliest contagious virus in America. It is unconscionable to think that the most technically sophisticated nation on Earth cannot, or will not, take the necessary steps to begin gathering useful information which could help save millions of lives.

One thing of which we are certain—our Nation is being crippled by the worst epidemic in history. Surgeon General C. Everett Koop has called it a plague of medieval proportions. To put this in perspective, here are some figures the World Health Organization gives for past plagues: The bubonic plague killed 25 to 50 million between 1347 and 1350; influenza killed 22 million between 1917 and 1918; and, smallpox killed 400,000 at the height of the 19th century.

AIDS has the potential of surpassing these figures. More than 33,000 AIDS cases have already been reported in the United States. This number represents those at the frank stage, that is, they will shortly die from the virus. Further, an estimated 1½ million to 3 million Americans carry the AIDS virus—some even estimate the figure as high as 4 million—and most carriers don't even know they have the virus. The CDC estimates this number will climb to 5 million by 1991. Of those persons who are currently AIDS carriers, 20 to 30 percent of them will reach the deadly state of the disease within the next 5 years. It appears that even though the virus may remain dormant inside the body for many years, it will eventually develop to the deadly stage. And the disease continues to spread. Although we know it continues spreading through our population, we don't really know how fast.

AIDS is no longer just a disease of the homosexual and the drug addict communities. It has spread into the heterosexual population. Doctor Koop estimated by 1991, it will increase twentyfold in the heterosexual population. Currently, 4 percent of AIDS victims are heterosexual. And hopes for a quick cure for this deadly disease do not look promising. The Surgeon General said we should not expect a vaccine in this century.

The monetary cost of AIDS to the American people is already growing at an astronomical rate—1986 Medicare and Medicaid costs for AIDS treatment are estimated at between $1.2 billion to $2.4 billion. That amounts to between $50,000 and $100,000 per patient during an average survival time of [illegible] months. About [illegible] percent of [illegible] currently qualify for [illegible] about [illegible] percent of AIDS cases. Moreover, by 1991 it is estimated that these Government costs will range between $8 billion and $16 billion.

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